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### Headquarters Landscape in Austria: Vienna HQs

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## Headquarters Landscape in Austria: Vienna HQs - Study Report 2023

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# Headquarters Landscape in Austria: Vienna HQs

Study Report 2023

**WU**  
WIRTSCHAFTS  
UNIVERSITÄT  
WIEN VIENNA  
UNIVERSITY OF  
ECONOMICS  
AND BUSINESS

**H i A**

HEADQUARTERS IN AUSTRIA

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# Executive Summary

In this report, we describe the results of our study on the current headquarters (HQ) landscape in Vienna, Austria. The study represents a follow-up to our previous study on the overall HQ landscape in Austria<sup>1</sup>. It is based on a data collection combining information from the database "Orbis" (Bureau van Dijk) and other publicly available data from companies' annual reports and previous reports.

These are our main conclusions:

- 1. Vienna is an important HQ location and is the engine of the Austrian HQ economy.** With its 547 HQs, Vienna accounts for 36.1% of the overall population of HQs in Austria. Despite its small geographical size compared to the other Austrian regions, the metropolitan area of Vienna is by far the most important region in Austria for HQs. The international orientation of the capital city, its proximity to the Eastern European countries (e.g., Czech Republic, Hungary, Slovakia), and its reputation for an outstanding quality of life make it the privileged HQ hub in a country that is already an extremely attractive location for corporate and intermediary HQs of several domestic and international multinational corporations (MNCs).
- 2. Vienna is an important hub for talent and highly-skilled employees.** Although the manufacturing, as well as the wholesale and retail trade industries are important for the Viennese HQ economy, the finance and service sectors (e.g., R&D, management, consulting) account for 36% of the Viennese HQs and almost half of their corporate parents. This suggests the presence of a cluster of employees with a unique set of skills and know-how in Vienna.
- 3. Vienna's districts have a clear industry identity as a result of the HQ distribution within the city.** Interestingly, HQs in Vienna are largely concentrated in three districts, each having a clear industry connotation: the 1<sup>st</sup> and 3<sup>rd</sup> districts primarily host HQs in the service and financial industry, while the 23<sup>rd</sup> district is home to many HQs in the manufacturing, wholesale, and retail sectors. This concentration emphasizes the presence of agglomeration economies in the capital city.
- 4. Germany and Eastern European countries are the preferred subsidiary countries for Vienna's HQs.** Thanks to its proximity and great connection to many European countries, Vienna is the perfect location for HQs seeking to establish a connection with Eastern European countries, while keeping a close relationship with Central European countries. The most important subsidiary country for Vienna's HQs is Germany, with 261 Viennese HQs having at least one subsidiary in Germany. Additionally, many Viennese HQs own subsidiaries in Eastern European countries, such as Hungary, Czech Republic, Slovakia, Poland, and Romania.
- 5. Vienna is home to several small and medium-sized enterprises (SMEs), yet it also hosts the largest HQs in Austria.** Similarly to the rest of Austria, Vienna shows a prevalence of SMEs: more than 60% of the Viennese HQs have less than 100 employees. However, due to the presence of a few large HQs, the average size of Viennese HQs is much higher (+€225m) than in Austria overall. Hence, Vienna favors the establishment of new and smaller businesses, while also attracting the largest HQs in Austria.

<sup>1</sup>Fabrizi, C., Schmitt, J., & Nell, P. C. (2023). *Headquarters Landscape in Austria: An Overview*. Retrieved October 19, 2023 from <https://research.wu.ac.at/de/publications/headquarters-landscape-in-austria-an-overview-study-report-2023>.

## Headquarters in Austria (HiA) - About us

The project "Headquarters in Austria" (HiA) is an "umbrella project" for different projects and activities, with the aim to support companies in the development of their organization and in particular of their HQs, but also to help Austria to remain an attractive location for HQs. The pronunciation of the acronym HiA is reminiscent of the word "here" and emphasizes the focus of the research project on Austria as an HQ location.

The HiA research project was launched in 2021 and has its origin in a collaboration between *eXplore!* as a funding partner and the WU Vienna University of Economics and Business (WU).

Our objectives are to:

- generate valuable theoretical and practical knowledge around HQs, their roles, functions, activities, and locations,
- share insights from research to a broader (non-academic) audience and thereby promote interest in HQs and an understanding of their importance,
- provide a platform that stimulates discussions for research, education, business practice, and policymakers.

Our core team consists of internal and external researchers at the WU Institute for International Business and is led by Prof. Dr. Phillip C. Nell. Each group member focuses on specific aspects related to HQs.

Due to the HiA project's focus on Austria, we also collaborate with relevant local partners, such as *eXplore!*, *Oesterreichische Nationalbank* (OeNB), *Austrian Business Agency* (ABA), and *Vienna Business Agency* (among others).

More information about HiA's projects can be found on the project's [website](#) and [LinkedIn page](#).



# Study Design & Motivation

## Study motivation and goal

The capital city of Austria, **Vienna, is the spearhead of the HQ landscape in Austria**, a country that attracts HQs from all over the world, while at the same time supporting the thriving of domestic HQs.

Due to the trend of offshoring manufacturing activities, **capital cities in Europe are competing to position themselves as attractive locations for HQs**. Thanks to its **geographical position** in-between Western and Eastern Europe, the **high quality of its institutions**, and its **outstanding reputation for quality of life**, Vienna has a competitive advantage in this regard (City of Vienna, 2019).

This report represents a **follow-up study** to our report on "Headquarters Landscape in Austria: Vienna HQs" (2022). We **deep dive into the HQ landscape in Vienna** and describe its main characteristics. The results of the study are **equally important for firm managers** who are considering Vienna as a potential HQ location, **and for policy-makers** who work to strengthen the position of Vienna as an HQ location.

## HQ definition

Building on the widely established research on HQs (e.g., Chandler, 1991; Menz, Kunisch, & Collis, 2015), we define **HQs as hierarchically superior firm units**. To identify the hierarchical superiority of HQs, we follow other studies (e.g., Belderbos, Du, & Goerzen, 2017; Voget, 2011) and adopt **an ownership perspective on HQs** (i.e., HQs need to have an ownership of at least 50.01% in another foreign corporate entity). This ownership perspective on HQs usually coincides with the seat of the top management team as well as of central staff functions (such as HR, IT, or finance) and the legal seat.

For the purpose of this report, we only consider **HQs located in Vienna that own subordinate units in at least one foreign country** and that have **recent company information in "Orbis"**.

We also acknowledge that HQs can exist at **different hierarchical levels** (e.g., Goold & Campbell, 2002; Zhou, 2015) and can take the following forms:

- **corporate HQs (CHQs)**: representing the highest organizational unit within the entire corporate group.
- **intermediary headquarters (IHQs)**: units hierarchically positioned between the CHQ and other subunits with region-bound ('regional HQs') or product-/function-bound ('divisional HQs') mandates.

Following this definition, we exclude:

- firms as well as startups that **purely perform exporting activities** to foreign countries without any legal entities in those countries,
- firm entities that **do not hold a clear HQ mandate**, even if they perform activities for foreign firm entities,
- IHQs that are **owned by another IHQ in Austria**, to limit the risk of an over-representation of some firms in the list.

For the purpose of our study, we include only HQs with a minimum turnover of more than 1m€, in at least one of the last years in which this information is available.

## Data collection and key variables

The data collection was conducted in **2023** and involves HQs based in Austria. However, in this study, we focus on **HQs based in Vienna**, which represent a **subsample of the original data collection**.

Our **primary data source was the "Orbis" database** (Bureau van Dijk). Since this report serves as an **update to the 2022 edition**, we used the initial dataset as a starting point and supplemented it with the most recent data from "Orbis".

For each HQ, we collected variables on several levels: **general information on the HQs** (e.g., name, location, year of establishment, CEO), **hierarchical information** on its corporate group (e.g., level in the hierarchy, subsidiaries owned), information on the **industry, geographical footprint, size** (i.e., employees, turnover), and similar information for its **corporate parent**.

## Analysis and interpretation

We applied **descriptive statistics techniques** to analyze our collected dataset and provide a detailed overview of the international HQ landscape in Austria. We interpret the results to **elaborate on some potential implications**. In some instances, we refer to the data from our previous report to compare the numbers of all types of HQs in Austria with the HQs based in Vienna.

**Note:** Due to rounding error, the percentages indicated in the output of the analyses may not always sum up to 100.0%.

## Limitations

The study provides valuable insights into the HQ landscape in Austria. However, it is important to acknowledge certain limitations in our approach. First, our **data collection heavily relies on a single source, i.e., "Orbis"**, which is a reputable database for firm-level information. Nonetheless, it is possible that not all HQs in Austria are captured in this database, or that some data is outdated. We attempted to compensate for this by referring to other sources such as company reports. Second, our analysis **focuses mainly on the current state of Vienna's HQ landscape**. To address this limitation, we intend to continually update the study and track longitudinal developments. This report represents the first update of the initial 2022 report. Thirdly, due to our data collection approach, our analysis **primarily centers around larger HQs in Austria**. As a result, we might not have included smaller HQs.



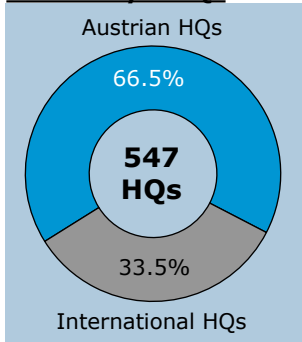
# Overview, Sector, & Location of HQs

## Overview

Overall, **Vienna hosts 547 HQs** consisting of **364 Austrian HQs** and **183 international HQs**. Slightly more than one third of the HQs in Vienna are CHQs (206), while the remaining (341) are IHQs. 51 of those IHQs have a specific region-related and 148 IHQs have a specific division-related mandate. For 142 IHQs, the mandate is not clearly identifiable from publicly available data.

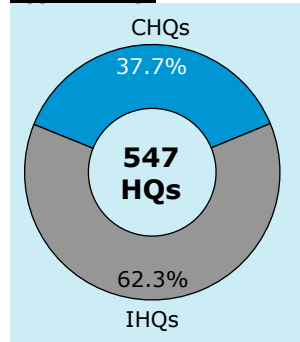
**547**  
HQs are currently located in Vienna

### Nationality of HQs



HQ Nationality	Vienna
Austrian	364
International	183
<b>Total</b>	<b>547</b>

### Type of HQs

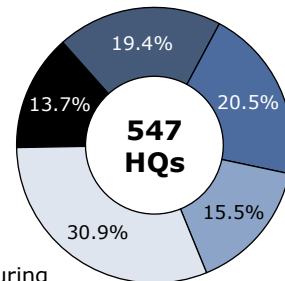


HQ Type	Vienna
CHQs	206
IHQs	341
<b>Total</b>	<b>547</b>

## Industry belonging of HQs

Similarly to other regions in Austria, Vienna's HQ economy relies on the wholesale and manufacturing sectors. However, **predominant in Vienna's HQ landscape are activities** – e.g., legal and accounting, management consultancy, R&D – **which employ a highly specialized workforce** and contribute to the creation of intangible assets.

Additionally, Vienna constitutes **an important center for financial activities**. Among the HQs based in Austria, Vienna accounts for 56% of the listed HQs operating in the financial sector (5 out of 9).



- Manufacturing
- Wholesale and retail
- Professional, scientific, and technical activities
- Financial and insurance activities
- Others

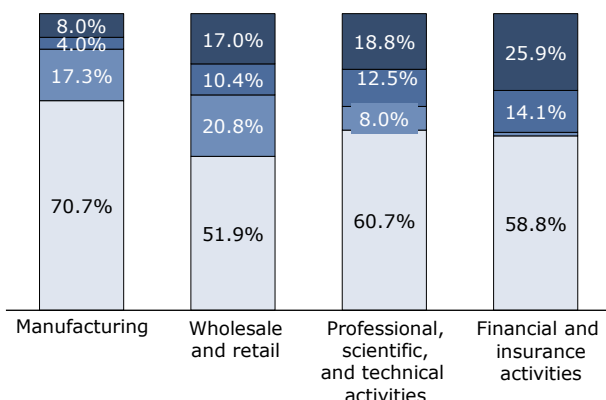
## Geographical distribution among districts

Vienna is characterized by **districts with a strong identity**. HQs tend to be concentrated in a few districts, in particular in the **1<sup>st</sup>, 3<sup>rd</sup>, and 23<sup>rd</sup> districts** – Innere Stadt, Landstrasse, and Liesing, respectively.

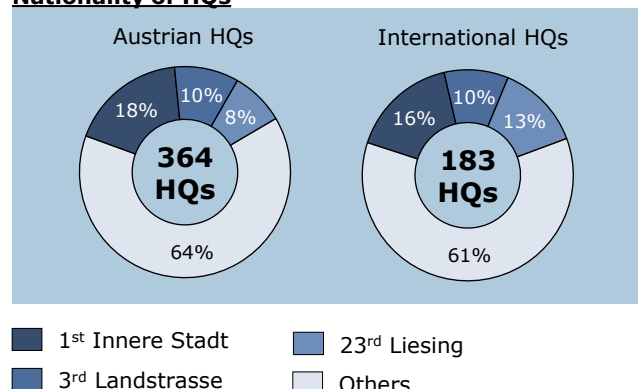
Each of those districts is characterized by an agglomeration of HQs belonging to similar industries. **The 1<sup>st</sup> district, followed by the 3<sup>rd</sup>, is the most relevant one for financial and insurance** as well as

for **professional, scientific, and technical activities**. **Manufacturing activities**, instead, are predominantly located in less central areas of the city, such as **in the 23<sup>rd</sup> district**.

While the 1<sup>st</sup> and 3<sup>rd</sup> districts are popular for all kinds of HQs, the the 23<sup>rd</sup> displays a high density of international HQs.



### Nationality of HQs

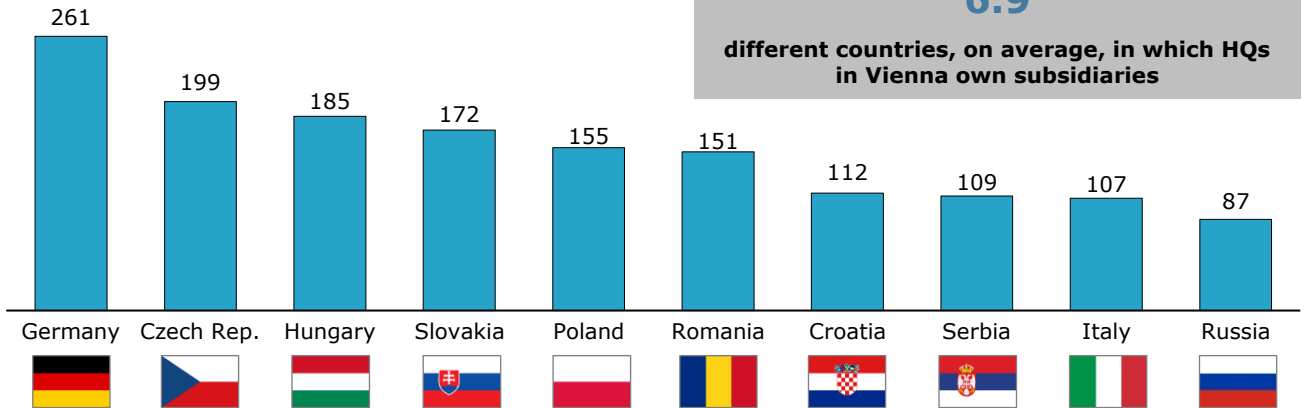


# Geographical Footprint & Size of HQs

## Geographical footprint of HQs

More than half of the HQs located in Vienna own subsidiaries in other Austrian regions and even in Vienna itself. **Vienna's high quality of infrastructure facilitates connection with other Austrian regions**, in particular with Upper Austria, Lower Austria, and Styria.

Among foreign subsidiaries, **German subsidiaries are the most popular ones for HQs located in Vienna, followed by subsidiaries in Eastern Europe and in other neighboring countries** (e.g., Italy).



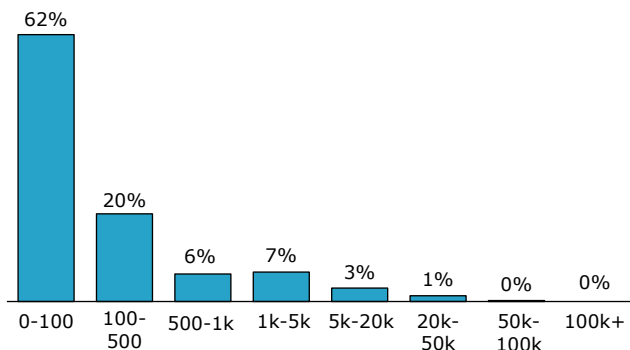
Note: n = 547

## Employees and turnover of HQs (consolidated numbers)

A closer look at the number of employees and the turnover of the HQs based in Vienna shows a **prevalence of SMEs also in the capital city**. More than 60% of the HQs have less than 100 employees.

However, the presence of **a few remarkably large HQs counterbalances the high number of SMEs**. On average, the number of employees in HQs based in Vienna (1,137) is much higher than in HQs located in Austria in general (879). A similar picture emerges from a closer look at the turnover, which is on average €225m higher in Vienna as compared to overall Austria. Hence, **Vienna favors the establishment of new and smaller businesses, while also hosting the largest HQs in Austria**.

### Employees



Note: Information on employees was available for 457 firms. The numbers refer to the last available year of information (mostly 2021).

**59%**  
of HQs in Vienna own at least one subsidiary in Austria

Thanks to its **proximity to many European countries**, Vienna is the perfect location for HQs that seek to establish a connection with Eastern European countries, while keeping a close relationship with Central European countries.

**6.9**  
different countries, on average, in which HQs in Vienna own subsidiaries

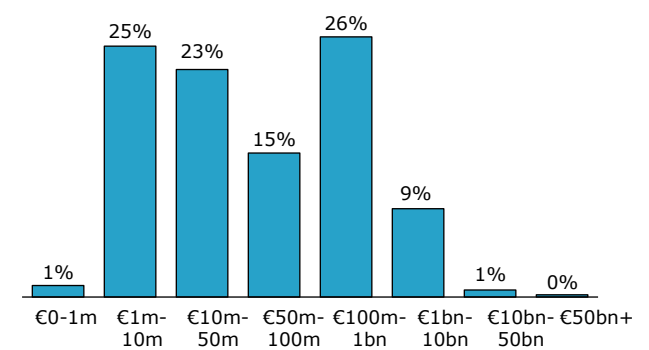
**1,137**  
people on average employed by HQs in Vienna

Note: This refers to the consolidated number of employees.

**€617m**  
yearly turnover on average for HQs in Vienna

Note: This refers to the consolidated turnover.

### Turnover



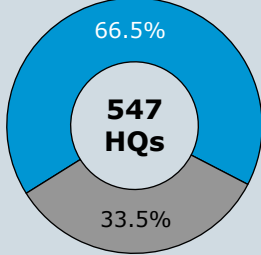
Note: Information on turnover was available for 427 firms. The numbers refer to the last available year of information (mostly 2021).

# Corporate Parents of HQs

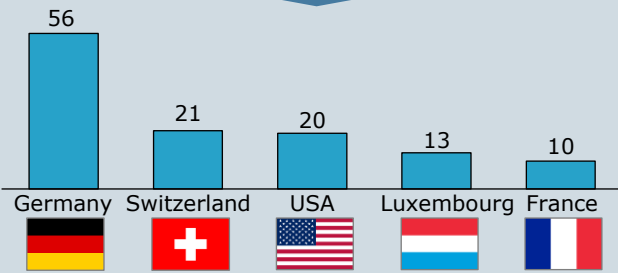
## Nationality of corporate parents

The HQ landscape in Vienna is **dominated by Austrian HQs**. However, Vienna is also home to a **considerable number of international HQs** (33.5%). Germany, in particular, followed by other nearby countries (e.g., Switzerland) and large economies from abroad (e.g., U.S.) privilege Austria as a location for their HQs.

Austrian corporate parent

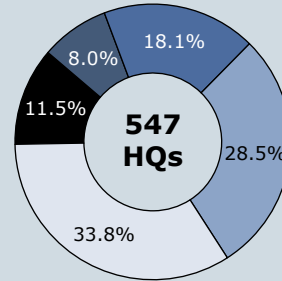


International corporate parent



## Industry belonging of corporate parents

Vienna is considered particularly attractive from corporate parents **operating in the financial and insurance industry** and in **highly specialized and know-how intense sectors** (e.g., R&D, engineering, consulting, and management). **This suggests the strong presence of a highly-skilled workforce.**



- Manufacturing
- Wholesale and retail
- Professional, scientific, and technical activities
- Financial and insurance activities
- Others

## Employee and turnover of HQs (consolidated numbers)

The corporate parents of HQs in Vienna are much bigger than the HQs themselves and than the corporate parents of the HQs in other parts of Austria.

Around 40% of corporate parents from HQs in Vienna have more than 1,000 employees and a yearly turnover of more than €1bn. This highlights that **Vienna as an HQ location is the point of reference for large international groups** seeking the right location for their HQ in Europe and Austria.

**19,622**

**employees on average for corporate parents of HQs in Vienna**

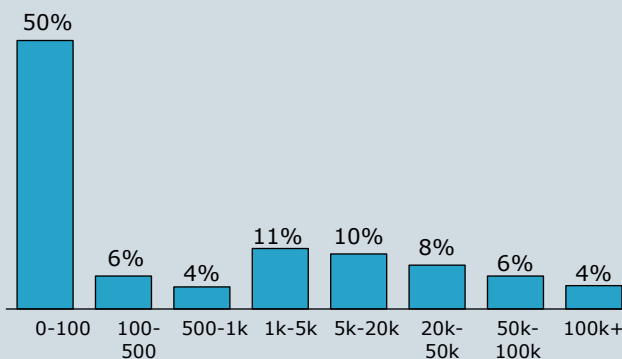
Note: This refers to the consolidated number of employees.

**€7.7bn**

**yearly turnover on average for corporate parents of HQs in Vienna**

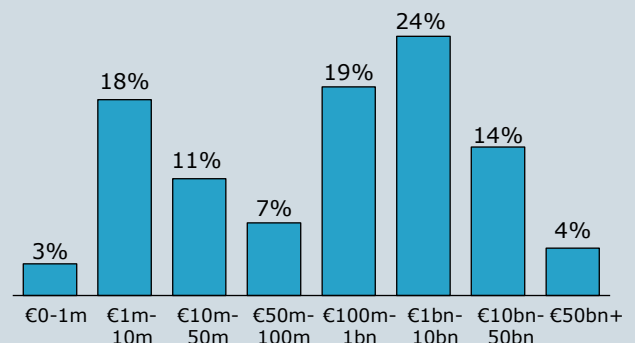
Note: This refers to the consolidated turnover.

### Employees



Note: Information on employees was available for 393 firms. The numbers refer to the last available year of information (mostly 2021).

### Turnover



Note: Information on turnover was available for 342 firms. The numbers refer to the last available year of information (mostly 2021).



# Appendix: New HQs in the 2023 Report

## Change in the number of HQs

Since the current report updates the 2022 edition (Schmitt, Fabrizi, & Nell, 2022) with new information from Orbis, we briefly examine the changes in the HQ database. Compared to 2022, the **number of HQs in Vienna** has **slightly decreased**, from 569 to 547 HQs.

**-3.9% HQs**

**in the number of HQs in Vienna since 2022**

84.5% of HQs from the 2022 database (476 HQs) are still included in the 2023 report. However, 93 HQs were **excluded for the following reasons:**

- No longer possessing majority ownership in at least 1 foreign subsidiary: 38 HQs
- Low or missing turnover data: 35 HQs
- Dissolution/inactivity/liquidation: 15 HQs
- Address moved to another Austrian location: 5 HQs

## Nationality and type of newly added HQs

The majority of newly included HQs based in Vienna are of Austrian origin, accounting for 59.2% of the total. The remaining 40.8% of the new HQs belong to international corporate groups. The composition of the newly added HQs based in Vienna is generally in line with that of the old HQs present in our database.

However, as compared to the old HQs in our database, there is **a relatively higher number of international HQs based in Vienna among newly added HQs** (40.8%) as compared to old HQs (32.3%). This seems to point at a **strengthening of Vienna's positioning as a location for international HQs.**

## Industry, size, and international footprint of newly added HQs

The newly added HQs based in Vienna span **across a variety of industries and sectors**. The **wholesale** industry accounts for the majority of the new HQs (+17), followed by the **manufacturing** industry (+12) and the **financial sector** (+12).

A closer look at the **newly included Viennese HQs** shows that they are, on average, **considerably smaller in size** than the long-established ones, both in terms of turnover and employees.

**Austria and Germany are the top choice for foreign subsidiary locations also for the newly added Viennese HQs.** Following closely behind are neighboring countries (e.g., Czech Republic, Slovakia, Switzerland, Italy).

**1,260**

people employed on avg. by old HQs

**382**

people employed on avg. by new HQs

**Note:** This refers to the consolidated number of employees.

**€691m**

average yearly turnover for old HQs

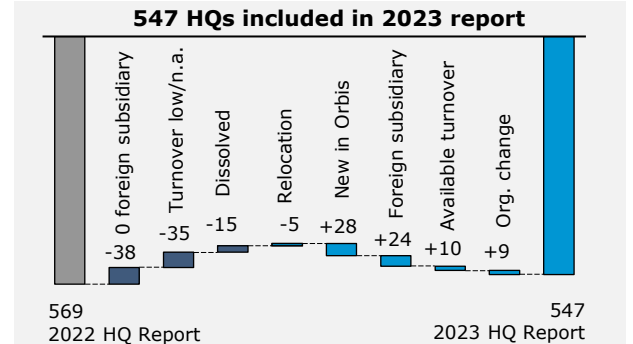
**€244m**

average yearly turnover for new HQs

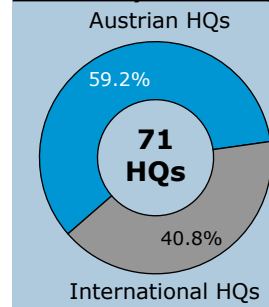
**Note:** This refers to the consolidated turnover.

**71 new HQs have been added** to the database, for the following reasons:

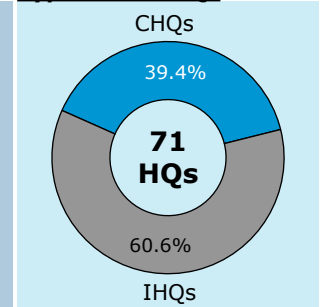
- Newly added HQs to Orbis or previously lacked basic information: 28
- New ownership of at least one foreign subsidiary (with direct ownership above 50%): 24
- Newly meeting the turnover criteria: 10 HQs
- Now classified as HQs due to changes in the hierarchical structure of the corporate group: 9 HQs



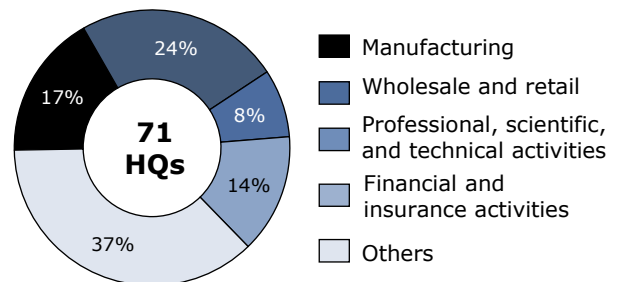
### Nationality of new HQs



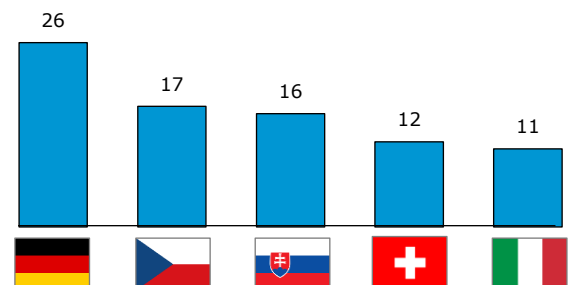
### Type of new HQs



### Industry of new HQs



### Geographical footprint of new HQs







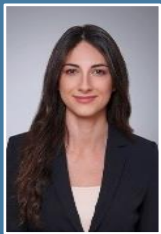


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