

## Doing Business in Austria | Austrian Social and Business Culture

### An Austrian Culture Overview

#### Fact file

- o **Official Name** – Republic of Austria
- o **Population** – 8,210,281\*
- o **Official Language** – German
- o **Currency** – Euro (EUR)
- o **Capital City** – Vienna
- o **GDP** – purchasing power parity \$325 billion\*
- o **GDP Per Capita** – purchasing power parity \$39,200\*



### An Overview of Austria

Situated in the dynamic heart of central Europe, Austria has learned to adapt to progress, change and growth while maintaining and celebrating their traditional cultural and ethnic homogeneity. A member of the EU since 1995 and bordered by eight diverse countries, Austria remains remarkably introverted and cohesive even as the population becomes increasingly urbanised. As a country that has produced renowned artistic and scientific pioneers, Austria is 'a small state with a rich culture,' and its citizens take extreme pride in their cultural heritage. Tradition is a strong feature of Austrian life, and can be seen in the wearing of national costume (Tracht), preference for speaking native German even in linguistically mixed company and enthusiastic appreciation of Austrian classical music and dining.

### Austrian Business Culture – Key Cultural Concepts and Values

**Sozialpartnerschaft** - "Sozialpartnerschaft," or "Social Partnership," is a system of chambers and associations that supports the dual Austrian values of mutual responsibility with the desire for structure, organisation, and hierarchy. This social partnership, often called the Economic and Social Partnership, is based on co-operation and partnership between employers, employees and the state and strives to reconcile the various interests of each through representative organisations.

**Community and Mutual Responsibility** - The ethnic and cultural homogeneity of the Austrian population, as well as the traditional small, community-centred lifestyle, has led to a business culture characterised by loyalty and a sense of mutual responsibility between employers and employees. Although globalisation has led to increased urbanisation and movement away from rural communities and more personal relationships, it is still not uncommon for ex-employers to provide a lump sum as well as retraining and outplacement for employees who have been laid off.

**Gemütlichkeit** - The German word "Gemütlichkeit," is often used to explain the Austrian attitude and outlook on life. Gemütlichkeit is not an easily translated term; in essence, it describes an almost hedonistic appreciation of the finer things in life including food, drink, entertainment, and leisure activity.

## Doing Business in Austria

Austria has a thriving, diversified economy with strong service, tourism, and highly specialised agricultural sectors, as well as growing foreign trade. It is estimated that nearly half of all domestic jobs in Austria are connected to the export industry in some way. Since joining the EU in 1995 and adopting the Euro, Austria has attracted an increasing amount of foreign investment. Austria's superior quality of life, low unemployment and crime, and central location in Europe makes it an ideal place for business expansion or relocation.

### Austrian Business Part 1 - Working in Austria (Pre-departure)

- **Austrian Working Practices**
  - Austrians place great emphasis on order and efficiency. Appointments are arranged far in advance and schedules are followed closely. If you need to cancel or postpone a meeting, contact your Austrian counterpart immediately.
  - Punctuality is crucial for establishing strong business relationships in the Austrian business environment. Your timely arrival at business appointments and social engagements is viewed in the Austrian professional environment as an indicator of your ability to manage responsibilities and attend to details.
  - Business practice in Austria is conservative, traditional, and individualistic; teamwork and consensus-building are not particularly important, and meetings follow a rigid agenda and are generally not a forum for sharing personal opinions or "brainstorming."
- **Austrian Working Relationships**
  - Public physical contact is uncommon in Austria, and essentially non-existent in the workplace. While it is appropriate to shake hands with each person in the room when entering a meeting, do not expect any further physical contact, even a pat on the back.
  - Business relationships in Austria are extremely formal; often old friends or even family members will refer to one another by title and surname in the professional environment. It is traditional to address Austrian colleagues using all appropriate titles; it is not uncommon, for instance, for a highly qualified Austrian academic or professional to be referred to as Herr Professor Doktor Schmidt (Mr. Professor Doctor Schmidt).
  - Hierarchy and status is an important element of Austrian business culture. Supervisors and company leaders are final decision-makers and generally do not seek out consensus or input from lower-ranking employees.

### Austrian Business Part 2 – Working in Austria

- **Business practices in Austria**
  - Austrian business meetings tend to begin with a few moments of small-talk. Be

prepared to discuss your experience in Austria and demonstrate some knowledge of Austrian culture or history.

- Bring a supply of business cards, ideally with one side translated into German, that clearly indicate your rank within the company or organisation and any titles you hold.
  - The formality of Austrian business relationships is strengthened by the culture of politeness and courtesy that characterises all aspects of Austrian society. Although business negotiating skills tend to be frank and unambiguous, Austrians are noted for their “charm,” good manners, and old-fashioned geniality.
- **Austrian Business Etiquette (Do’s and Don’ts)**
- ✓ DO make the effort to communicate in German. Although English is widely spoken, especially in the business environment, Austrians prefer to communicate in German and appreciate any effort to learn their language.
  - ✓ DO individually greet and shake hands with each person in the room upon entering and leaving a meeting or professional gathering. Wait for female counterparts to initiate handshakes.
  - ✓ DO familiarise yourself with the history and cultural traditions that separate Austria from Germany. Austrians appreciate a demonstrated awareness of the unique features of their country.
  - ✗ DON’T jaywalk or disregard traffic laws. Austrians demonstrate a tremendous respect for authority and close adherence to established rules is part of the traditional Austrian culture.
  - ✗ DON’T assume that Austrian formality implies rigidity or lack of humour. In fact, Austrians can be distinguished from their German neighbours by their more easy-going and jovial attitudes.
  - ✗ DON’T speak with your Austrian counterparts about religion, money, their personal life, or anti-Semitism and Austria’s role during WWII. Austrians tends to be introverted and private, and individuals are uncomfortable discussing their private business with those outside of their social or family circle.

#### **Austrian Culture Quiz – True or False**

1. In a restaurant, a table displaying a sign that reads “Stammtisch” is unoccupied.
2. In the Austrian business environment, working late and investing overtime hours is viewed as incompetence and inefficiency rather than dedication or professional drive.
3. If you are invited to share a meal in an Austrian home, you should bring an even number of live flowers (not roses or carnations) to present to your hostess. An odd number of flowers is considered unlucky.
4. You should initiate introductions with others rather than waiting to be introduced by a third party.
5. It is customary to greet everyone you meet, including strangers in lifts, shops, and hallways, with the friendly phrase “Grüß Gott.”

### Austrian Culture Quiz - Answers

1. False. A sign reading “Stammtisch” signifies that the table is permanently reserved for regular customers.
2. True.
3. False. You should bring an *odd* number of flowers as an *even* number is considered unlucky. You should not bring roses as they symbolise romance or carnations as they are associated with funerals.
4. False. If the situation permits, you should wait to be formally introduced to others by a third person.
5. True.

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\* Source: CIA World Factbook 2007

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