

Employment & Labour - Austria

Several collective bargaining agreements within one company

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Austrian law requires companies to be members of the Chamber of Commerce. In general, the applicability of a collective bargaining agreement is determined through mandatory membership of the relevant division of the Chamber of Commerce; the division to which a company belongs depends on the employer's trade/business and corresponding business licence.

If the employer is operating in several trades or industries, the following legal framework governs.

If the business is structured as several distinct organisational units, the employees of each of those units or sub-units may be subject to a different collective agreement depending on the business or trade actually conducted in the respective unit or sub-unit. In this context, a 'unit' or 'sub-unit' is characterised by a certain degree of organisational and functional independence from other units within the same entity, meaning that there exists:

- a certain level of autonomous structure in the hierarchy (different functional leadership);
- (limited) financial autonomy; and
- different organisational provisions/directives.

If different units or sub-units are conducting different trades, then different collective agreements will apply.

The question of whether several business units or sub-units can be identified or whether the entire enterprise forms one coherent unit is therefore dependent on various factors, which are assessed on a case-by-case basis.

If the enterprise in question cannot be considered as being divided into two or more separate units or sub-units, every employment relationship is subject to the same collective agreement. In such case the employer must apply the collective agreement which corresponds to that of its core economic activity.

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