# **Pearl Meyer**

ADVISOR BLOG | JAN 2025

# Oilfield Services and Drilling: December Data



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Pearl Meyer's latest pulse survey included 20 participants within the oilfield services and drilling sector. The findings shed light on salary adjustments, incentive payouts, and the changing landscape of ESG-related metrics in incentive plans. We summarize base salary adjustments and incentive plan payouts below.

#### Base Salary Adjustments for 2025

- Overall, the median expected base salary increase is 3.50% for 2025, however there is some variation by employee level
  - Executive salaries are expected to increase 3.50% at the median.
  - Non-exempt employees are increasing at a higher rate of 4.00%.
- This current overall projection marks a slight decline from more bullish, mid-year forecasts of 4.00% for 2025.

### Incentive Plan Payouts for FY2024

While mid-year 2024 projections were trending higher, a softer fourth quarter in the sector resulted in a slight decline in expectations for salary increase and incentive payouts.

- Annual incentive payouts for FY2024 are forecasted to be at or just below target levels (75%-100%).
- Long-term incentive plans closing in FY2024 follow a similar trend, with 58% of companies paying within the 75%-100% range.
- This marks a slight decline from mid-year projections that were trending just above target.

With the incoming administration focused on increased domestic production, oilfield service companies could see increased activity and a focus on goal-setting for incentive plans will be critical. Companies in the sector should continue to review their compensation programs to ensure they balance uncertainty/cyclicality in the industry and external pressures, while remaining competitive and retentive.

If you would like your company to participate in future quick polls or would like to discuss in more detail with one of our industry experts, e-mail our team at <u>energy@pearlmeyer.com</u>.

## About the Author

Malcolm Adkins is a managing director in Pearl Meyer's Houston office, and a staff manager and energy practice leader for the firm. He has over 15 years of compensation consulting experience with an emphasis on the assessment and design of executive and director pay programs, including assisting clients with compensation benchmarking and pay practices, annual and long-term incentive plan design, peer group development and pay-for-performance assessments, governance issues, and M&A support.

#### About Pearl Meyer

Pearl Meyer is the leading advisor to boards and senior management helping organizations build, develop, and reward great leadership teams that drive long-term success. Our strategy-driven compensation and leadership consulting services act as powerful catalysts for value creation and competitive advantage by addressing the critical links between people and outcomes. Our clients stand at the forefront of their industries and range from emerging high-growth, not-for-profit, and private organizations to the Fortune 500.