# Mergers and acquisitions reshape the oil and gas sector



The landscape of mergers and acquisitions (M&A) has dramatically reshaped the business environment in recent years, particularly within the oil and gas sector. The Permian Basin Oil and Gas Magazine highlights significant transitions that unfolded in 2024, setting the stage for forthcoming trends in 2025. The year saw an influx of consolidations that triggered extensive job losses while affording some employees substantial buyout benefits.

ExxonMobil's decision to lay off around 400 employees from Pioneer Natural Resources marks a notable impact of these corporate restructuring efforts. This round of layoffs suggests a continuing trend in the industry, as businesses evaluate and optimise their workforces post-acquisition. Industry observers note that January serves as a critical deadline for employees evaluated for buyouts, raising pertinent questions for those remaining within newly merged companies—should they accept financial compensation or embrace the uncertainty of corporate integration?

Employees who opt to stay face a myriad of challenges as they navigate their positions within these newly formed entities. An article in Permian Basin Oil and Gas Magazine cautions inherited employees to assess their treatment within the organization seriously. Those who retain their roles must determine if they genuinely have a voice in decision-making processes, as diminished responsibilities and exclusion from previous engagements can signal precarious job security. It is essential for employees to gauge whether they fit into the new organisational culture without sacrificing professional development.

The publication also explores the psychological ramifications of these transitions. Mergers can create an environment where employees experience cognitive dissonance when company values and personal beliefs do not align, often resulting in disengagement. Such disengagement not only hampers individual performance but can also create a cycle of attrition that affects the overall health of the organisation. Acquiring companies, therefore, could benefit from proactively addressing employee concerns—especially regarding financial security and benefits—before these uncertainties fuel discontent.

The importance of maintaining positive employee relations is emphasised as the article notes that how employers treat their newly acquired workforce can significantly affect their reputations long into the future. Anecdotes shared within the industry illustrate contrasting management styles; some firms have garnered trust and support from staff, while others find their employees harbouring scepticism and considering alternatives.

In an unrelated yet critical subject, the magazine points to upcoming shifts within federal employment under President Donald Trump's anticipated policies. The potential implications of revived executive orders, such as the controversial Schedule F, create anxiety among civil service workers who fear for their job security. Schedule F allows for greater flexibility in hiring and firing procedures for certain roles within federal agencies, which could lead to the erosion of long-held protections for career federal workers.

A growing comparison emerges between federal and private sector jobs, particularly in light of competitive salaries offered by entities like Amazon, creating doubts about job stability in the public workforce. Dr. Michele Harmon, a Human Resource professional, underlines the influence of workplace dynamics, asserting that "your employees are the heart of your organization."

The evolving landscape of M&As coupled with significant changes within federal employment signals a pivotal period for businesses and employees alike, setting the tone for how organisations will adapt to these challenges in the future.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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9. <https://www.eeoc.gov/federal-sector/management-directive/chapter-6-development-impartial-and-appropriate-factual-records> - Although not directly related, this link provides context on federal employment practices and the importance of fair treatment, which can be compared to private sector practices.
10. <https://www.chron.com/business/article/exxonmobil-layoffs-pioneer-19916593.php> - Mentions the broader industry context of layoffs and mergers, such as ConocoPhillips and Shell Global, highlighting a trend in the oil and gas sector.
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