

# The DOGE Effect: How Is the Federal Workforce Changing?

*Updated 27 March 2025*

Steve Odland: Welcome to C-Suite Perspectives, a signature series by The Conference Board. I'm Steve Odland from The Conference Board and the host of this podcast series. And in today's conversation, we're going to discuss the implications of the new administration's policy on the federal and private workforces.

Joining me today is Diana Scott, the head of the US Human Capital Center at The Conference Board. Diana. Welcome.

Diana Scott: Thank you for having me, Steve.

Steve Odland:Diana, you've been CHRO in several very large companies and been part of a lot of change over time. But this new effort by the administration is really unique.

This is the Department of Government Efficiency, or DOGE, which is led by Elon Musk. And they're trying to take costs out of the government, or waste. As part of that, they're impacting people. Talk about what's going on now.

Diana Scott: One of the objectives of DOGE is to actually reduce the size of the federal workforce. So that's a massive effort, and DOGE has been focused on a number of different areas, and there have been many executive orders and proclamations that are actually pushing this work forward. So if I can just go over some of them, because some of them are huge.

So really, they're looking to potentially eliminate or downsize a lot of, or reorganize, some of the agencies. So that's number one. They're looking to relocate functions or entire agencies. So imagine the massive work involved in that. They've also, many of you have heard about "a fork in the road," the "fork in the road" memo. So they're providing incentives to federal employees to actually resign, which is under legal scrutiny, but still,

that was a major effort. And at this point, it seems like over 100,000 employees have actually raised their hand and said they're interested, or they've actually signed up for this program to resign and get some compensation in return.

They have initiated a hiring freeze, and there's actually talk about, for every one new person they do end up hiring, if there are exceptions made, there have to be four equivalent terminations to balance that out so that they can continue to meet their goal of reducing the size of the actual federal workforce.

And they focused on what is called a probationary employee. So somebody who's in either the first year or two of their job with the federal government. Or, who are in a new position, have accepted a new position—that constitutes a resetting of the clock as a probationary employee—and therefore, they don't have some of the protections that other civil servants have. Two hundred thousand potential probationary employees in the government could also be terminated.

And then the final thing is there is some reclassification of the employment classification itself for employees, which is called Schedule F. So the reinstatement of what's called Schedule F could change up to 50,000 or more employees from civil servant with the protections to at-will employees, so they would also be subject to potential termination, very much as in the private sector right now, so they wouldn't have the same protections.

So the effort is massive, it has tentacles, far-reaching tentacles, and it's going to have a huge impact on the federal workforce. It's going to have potential implications in the private sector, certainly with government contractors.

And I think leaders across the board have to figure out how to manage all this change to the organization. Because, of course, whenever you have this kind of massive change, you create some risk, as well.

Steve Odland: OK, so you mentioned Schedule F. Can you just tell us a little bit what that means? What is Schedule F?

Diana Scott: Schedule F is really a reclassification of career positions, and they're reclassified to what are called policy-influencing positions, which really strips them of all the protections for career civil servants. In essence, it could be, they're talking 50,000, up to 100,000 employees could be reclassified, and that makes them at-will employees, so it's much easier to let them go. They don't have all those protections.

Steve Odland: Yeah. And just a little more context setting. I think there are about what, 3 million federal employees, not including active military or the Postal Service, right?

Diana Scott: Correct.

Steve Odland: And you have about a third of those that are unionized. So they have different protections than the non-unionized members. And so DOGE is working around

all of those different rules, but the point is, there's a lot of change. There's a lot of people that are coming up voluntarily. You mentioned 100,000. That's a lot of people.

Diana Scott:It's a lot.

Steve Odland:Yeah. And they're trying to get out at least another 100,000 more, which may not be quite as easy, or it may be more contentious. So all of this creates stress in the federal workforce and these agencies and so forth.

So if you were advising the leaders in these agencies, what would you be telling, how would you be advising them to handle all this change with their people?

Diana Scott: First, the leaders really are responsible for understanding what the potential income impacts and outcomes are, because none of this is certain. They're working with a lot of moving pieces. So I think scenario planning is going to be very important, contingency planning. Those of us in the private sector do this all the time around business, anything.

Do some modeling, really understand and anticipate what the potential actions might be, what the take-up rates would be, and what the potential outcomes would be. And in the course of that, you really need to think about some things, like if you're trying to manage large-scale employee departures, you have to think about, how is that going to impact our ability to serve our customers, which are largely all of us, the taxpayers. There are many agencies providing all sorts of services. So how do you do that by minimizing the disruption?

And then you also have to think about, as people depart, especially if they're taking people up on the "fork in the road" offer. They're saying, "Yes, I will voluntarily resign and move to the private sector or find something else to do." You have a lot of knowledge exiting your organizations very quickly. That makes it very challenging to manage that knowledge transfer, to make sure that there's continuity. And as new political appointees come in to take some of these positions, it can make it very challenging for them, as well.

So all of that is scenario planning, which I think is really important. We call it workforce planning in the private sector, and that's exactly what leaders really do need to focus on.

At the same time, they also have to recognize, though, that to your point, change brings a lot of anxiety, it erodes trust, and so they need to think about how to manage this process with their people, as well, and build confidence, build trust.

And the ways that you really can do that as a leader are focusing on things like communication. Open communication, where you're sharing information, you're sharing the strategies, you're talking to your direct reports and other leaders so that they can feel like they understand what's going, and so that you really create some alignment from the top as the messages then get pushed down in the organization. Because that's going to help with some of this anxiety and erosion of trust that is naturally going to occur

whenever you have this kind of massive change in an organization.

Steve Odland: Yeah, and this scenario planning is important. You mentioned it's both scenario and contingency planning, but they don't really know where the people are going to exit, and then they're talking about downsizing the Department of Education, maybe some other departments.

If you have 100,000 people all leave from the IRS, for instance, they wouldn't have any way to collect the revenue or to advise taxpayers. It could be devastating to any individual department. And so I think this is what you mean by that they've got to scenario plan here because you don't know what's going to happen.

Diana Scott: And that's what makes this so difficult. And clearly, it's happening rapid-fire, which makes it difficult to even anticipate, to your point. It's a tough situation. It's incredibly disruptive right now.

Steve Odland: And if you're in the private sector, I think you maybe not, but I think you have an expectation mostly that sands shift and it's a little riskier, but. It used to be that you go into the government for more security, and you trade off a little bit on the salary, or maybe a lot, in some cases, on the salary, but you have protection through retirement. And so this kind of throws that whole model, this trust model, up in the air.

Diana Scott: Exactly. It's turned on its head. Yes, people in the government are there very often because they're very service-oriented. A lot of the government employees are veterans, former military, so it's a natural progression for them to move from the military as vets into being civil servants. And it reflects their desire to continue to serve.

But there is also this notion of some stability, and there were a lot of protections in place, for many of these civil servants. And some of them, with reclassifying some of these positions, with eliminating agencies, some of those protections seem to be going out the window, which is what's eroding the trust so much and making it difficult for leaders to actually manage through this process and ensure that, not only can they try to anticipate what's going to happen, but also plan to, continue to deliver the services and the support.

The IRS example that you brought up, that's a tough one. How do they continue to process tax returns, process rebates? How does that all continue to happen when a potentially massive part of your workforce is exiting the organization?

Steve Odland: Yeah. And we should just point out, Diana, The Conference Board is completely nonpartisan. We're nonpolitical. We're not taking a point of view on whether this is the right or the wrong thing to do. We're just trying to talk about the issues of managing this change and what's going on in the workforce.

Diana Scott: Exactly.

Steve Odland: Yeah. So anybody who hears anything that sounds at remotely political. We're not intending that. But you have to come back cause this is a new administration, and it's a whole new deal here. It's a whole new day, and nobody's ever seen a DOGE before. And there's a lot of court challenges to what they're doing cause nobody knows for certain what's happening. So all of this creates this stress in the workforce. But it also carries over. It's not just an agency or a couple of people in the government or whatever. It impacts communities. It impacts friends and impacts family. And so the stress carries through well beyond even the potentially impacted people in the government.

Diana Scott: I think the anxiety around the change is normal. The uncertainty that it creates, the trust that it erodes, that's normal whenever a change like this occurs.

And I think the key is here, you need to, in these situations, as a leader, really balance what the employee needs are and the impact on your communities with, what's in the best interest, in this case, of the administration and what the administration and the government and the leaders of the administration are trying to accomplish, which is to reduce expenses, reduce the size of the workforce, to streamline the government.

So it's a balancing act, and I think, in any situation like that, to the point you made, we're not commenting politically. We're just trying to say, in any situation like this, it is a balancing act. You're trying to look at, what is the opportunity that we're trying to address?

And there's a huge opportunity to streamline. I think we would all agree, a huge opportunity to streamline government. That's the goal. But the risks is that you manage the disruption of established systems that are in place. That can erode trust and also affect ability to deliver services that are really important to the American public and the constituencies that access these various agencies. So you've got to find the way to navigate through that. And I think there are tools that people have as leaders. And then, tools that you can even provide and remind your frontline managers of, as well So I think that's partly what we're trying to provide some support on.

Steve Odland: Yeah, we're talking about the effects of DOGE and some of the cuts in government. We're going to take a short break and be right back.

Welcome back to C-Suite Perspectives. I'm your host, Steve Odland, from The Conference Board, and I'm joined today by Diana Scott, the head of the US Human Capital Center at The Conference Board.

OK, so Diana, you've got all this change going on. You're an expert in change management. Now, a lot of people may not be familiar with that term, and it is a fancy HR term, but it means that you can't just throw the switch on these things. You've got to manage this through the process, very deliberately talk about all the change management aspects of this.

Diana Scott: I talked about scenario planning for the top of the house. That really is part

of that change planning that needs to happen. You need to anticipate what might happen and talk about, "How am I going to address it if any of these particular cases emerge?" So that's at the top of the house, but I think there are real things that leaders at all levels of the organization need to focus on.

And it starts with communication and transparency. We have so much research that says if change is occurring—and change naturally creates anxiety. Many people are change resistant. It's hard. It's hard for a population to deal with change. But if you are transparent about it, and you explain the context, our research shows that most employees will say, "OK, I get it. I understand why you're doing this. You're being very honest and transparent about how this might impact me. And you're also beginning to talk about some tools of how I might react differently and think about this in terms of how it impacts me and what I can do to help myself navigate through this."

Steve Odland: Yeah. And that's typically thought of as it relates to the impacted people, but it's the people who aren't impacted, they're behind, who have to pick up all the extra work, who have to deal with their colleagues and friends leaving. So there's a huge amount of change effort required with the residual workforce.

Diana Scott: Absolutely. So you have the people who are directly impacted. Then you have the people who are staying behind, and they can be angry. Again, if they don't understand the context and, "Why are you being mean to my friend who sits next to be in the next cubicle?" they're likely to become disengaged and not work as hard and maybe phone things in.

And that happens across the board. This is not just in the scenario we're talking about now, with the government. This is any time you have a major change in an organization. You have to think about all the different stakeholders that are going to be impacted by this change. So in that context, you have the person that's directly impacted, and they're going to be exiting the organization. You have the people that are left behind. You also have to think about your customer, whoever that might be.

So in this case, you have to think about how are we going to message this and make sure that we're still able to deliver service and support to our end user, to our customer. What does that look like? And if there are going to be delays or changes, again, being as transparent as you can about saying, "This is what's happening. This is why we're doing it. Our goal long term is to serve you better. There may be some disruption in the meantime, and here's why, and here's how you can address it if you have things that are falling through the cracks from your perspective as an end user." All of those audiences are important.

Steve Odland: Yeah, but you have to do this deliberately. You really have to say, OK, all these people are going to be affected, and even if everybody completely understands, everybody's an adult, everybody completely understands that there is waste, there's waste everywhere. Nothing's ever perfect. And even if you voted for it, you may not—it doesn't become real until your job is affected or your neighbor's job is affected or your

family member's job.

So this is where the rubber meets the road. And even if somebody is completely prepared and supportive of it from a strategy standpoint, it can be very disruptive and therefore needs to be dealt with really carefully.

Diana Scott: Absolutely. And I think the role of, we talk a lot about emotional intelligence. It's a term that people throw out. But that is a real skill and ability. It's really about the ability to be honest, transparent, but also show empathy to the individual, the stakeholder, and how this is impacting them. And as leaders, if you can show that empathy and really be thoughtful and responsive and a good listener, that goes a long way to helping move people along to understanding and acceptance.

It's like the seven stages of grief that people go through, whether you're actually directly impacted, or your friend is being impacted, or your community is being impacted. Having the context, having transparent conversations, understanding why this is important and necessary, and understanding and a sign of empathy and support for helping people navigate through that, however it's impacting them, goes a long way to bringing people on board. And ultimately, they come out at the other end and say, "OK, it wasn't great, but I felt like I was supported and I was heard."

Steve Odland: Ultimately, it's how you make people feel through the process and after the process. Now, I mentioned earlier that you were the CHRO of several large organizations, led this stuff. I've often felt that these kind of changes are, while they're obviously hard on the people who are impacted, but it's really stressful and hard on the human resources organization, in any company, or in this case, the government. And so the leaders need to also think about the stress on that organization and helping that organization because human resource people are people, too.

Diana Scott: Yes. Some people think we are. Not everybody thinks we are, and with the advent of AI, maybe we aren't.

But you make a really good point. I think the well-being of everybody involved is absolutely something that needs to be focused on. The well-being of the folks who are making the changes, who are having to carry out the, the directives and the orders. It's hard on them, too, because they are part of that community. The leaders, it's very stressful on leaders. We really need to think about how do you support the leaders through this? Because they are human. They feel bad about what's happening.

In my experience, and I've lived through multiple reductions in force at multiple different companies, it's really difficult to get through it. But almost in every case, if it's done well, you come out at the other end with your employees that have been directly impacted feeling supported, and usually finding new life, new careers, new career paths, new opportunities for themselves. And they walk away from it thinking that it actually was a blessing in disguise. If you do it right.



And even the people internally, if you do it right, they will say, "Wow, the culture of our organization really handled this well. And even though it was difficult, and there were difficult choices that had to be made, it was handled well, and therefore I'm proud to be part of this organization."

Steve Odland: And if there's open communication and transparency, as you said, then it can build trust. But if not, it can erode trust and destroy culture through this process.

Diana Scott: Exactly. Exactly.

Steve Odland: Now, a lot has been made about shortages in the private sector. And so there's a lot of extra people here. And oh, we'll just, we'll just move them over to the private sector. That kind of works at 100,000 feet. But when you get down to it, people who are in the private sector may be there for different reasons. They may have different skills, and the open positions or the requirements have different skill set needs and so forth.

So if you take, for instance, a forest ranger out of a national park, that's not going to actually just translate immediately to a company that needs an accountant. There are big ramifications here, whereas on paper, it looks really simple. Big ramifications, and this is far more difficult than it looks.

Diana Scott: It is, but there are opportunities for the private sector. If you look at a couple of different industries, there are a lot of federal workers who are working in health care right now. We have huge shortages in health care, so there's an opportunity for the health care industry to potentially pick up some very highly experienced, technically trained individuals coming out of the federal workforce. Similarly, there are many people who have technical skills in technology and the technology fields. Again, there are shortages of people who know how to code and know how to do—frontline workers, individual contributors—opportunity for those folks to perhaps be picked up in those industries.

And the other opportunity is for managers. If they are trained to do this, they can actually really help, those frontline managers can really help encourage the employees that are potentially going to be impacted to prepare themselves for this change, to think about their skills, where they fit, and more importantly, what they would like to do. It isn't just about, here, you need to find a job. It's an opportunity, when these kinds of changes happen, to really evaluate what's important for you and how would you like to potentially think about a career path going forward, especially if it's in the private sector. Where would I fit? And there are lots of tools to do that.

So again, leaders, frontline managers can be very supportive in encouraging their employees to take more control over their lives and think this through, make sure they're getting their resumes prepared, et cetera.

Steve Odland: But this is a good opportunity for business leaders to step up, as well, and



to partner with the public sector, and to provide training programs, deliberate recruiting and training programs, to take certain people and develop skill sets, but be deliberate about it.

Exactly. And we have some major shortages for certain skill sets. Like I said, health care, there's a lot of the technology. Those kinds of capabilities, if you are able to, again, translate. What are those capabilities and competencies actually translate into in the private sector with, sometimes, minimal training and upskilling and reskilling? You can actually make that transition work really well. So it is an opportunity for the private sector.

Last thing is there are also places that people can go, professional networks and so forth, to help through this. Just talk a little bit about that to wrap up.

Diana Scott: They can look at their own networks, certainly. They can look to different organizations that are in their specific career fields and look at those networking organizations. Whether you're in finance or health care, there are multiple organizations that can support there. And networking becomes really important in this scenario. It allows you to explore opportunities. It allows you to talk to other individuals who might be doing similar work, but perhaps not in the government, perhaps in the private sector, and understand more of yourself. Like, "How do my skills actually translate into those kinds of jobs?" So networking is really important.

I think it's also important, though, that people really step back and evaluate what their own goals are. This allows them to take a little bit of control back, and they have to say, "OK, what's important to me? What about my work and my home are important to me?" So, that work-life performance. Really, they take control over what they're looking for.

And they also need to think about, what are their financial goals? Where do they stand today? And what kind of flexibility might they have? Where are they in their career? Are they close to retirement or not? Are they early in career or not? Do they want to potentially make a pivot in their career? Is it an opportunity to go back to school and learn some new skills, or go through some sort of certification process to increase their skills? That kind of planning is really important, and people should not feel like they're the victim of this happening to them, but instead see it as an opportunity to really think about, "How do I take more control over my own career and seize this as an opportunity?"

Steve Odland: Yeah. So change is hard, and change is upon us. And I think what I hear you saying is, everybody needs to be deliberate about it, compassionate about it, and help us through.

Diana Scott: Absolutely.

Steve Odland: Yeah. Diana Scott, thanks for being with us today.

Diana Scott: My pleasure.

Steve Odland: And thanks to all of you for listening to C-Suite Perspectives. I'm Steve Odland, and this series has been brought to you by The Conference Board.

## AUTHORS

---



Steve Odland  
**President and CEO**  
The Conference Board, Inc.



Diana Scott  
**US Human Capital Center  
Leader**  
The Conference Board

---

The Conference Board is the Member-driven think tank that delivers *Trusted Insights for What's Ahead*<sup>®</sup>. Founded in 1916, we are a nonpartisan, not-for-profit entity holding 501(c)(3) tax-exempt status in the United States.

© 2025 The Conference Board, Inc.