The Tesla Brain Drain

The future of the struggling car company rests on Elon Musk more than ever before.

By Patrick George

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Before DOGE, there was Twitter. In 2023, Elon Musk seemed too distracted by his latest venture to run the world's most valuable car company. Tesla was faltering as he focused on remaking (and renaming) the social-media network. So at Tesla's investor-day event in Austin that March, Musk responded with a rare show of force. He was joined onstage by a cadre of more than a dozen of the company's top executives, all to signal that even if he was extremely busy, Tesla was run by a world-class team: "We've obviously got significant bench strength here," Musk said. Sure enough, Tesla closed out 2023 with the best sales it's ever had.

Musk is in bad need of a similar comeback right now as he returns from Washington to focus on his struggling car company. In recent months, Tesla sales have plummeted as the chain-saw-wielding, far-right centibillionaire has turned off traditionally liberal electric-car buyers. The MAGA faithful never stepped up to take their place, and they’re less likely to do so now that the Trump-Musk bromance is over. Musk has other problems: Tesla created the modern electric car as we know it, but now the automaker is falling behind the competition while Musk is more focused on AI and robots than selling cars. And on top of everything else, the One Big Beautiful Bill Act working its way through Congress could cost Tesla billions each year.

This time around, however, Musk can’t lean on that aforementioned bench even if he wants to. Something similar to DOGE’s steep staffing cuts has been playing out at Tesla. About a third of the executives who stood onstage with him two years ago have left Tesla or been ousted. Many other high-profile company leaders have resigned. Just since April, Tesla has lost its head of software engineering, head of battery technology, and head of humanoid robotics. Tens of thousands of rank-and-file employees left last year amid waves of mass layoffs. At the end of the day, Tesla is the Musk show: The company is the biggest source of his wealth, and is core to his reputation as a tech genius. Now, after all of the pivots and attrition, the future of Tesla rests singularly on Musk more than it ever has.

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To longtime Tesla chroniclers such as myself, the chaotic, rapid-fire cuts that defined Musk's tenure at DOGE felt familiar from the very beginning. The playbook was pioneered at Tesla. When Musk took over as CEO in 2008, Tesla was a start-up struggling to build its first car. His early infusions of personal cash, ruthless approach to cost cutting, and, in his words, "hardcore" work environment are widely credited with getting the automaker up and running. He has a famous approach to any type of problem: Get rid of preconceived notions, tear everything down, and rebuild from there. If things break, so be it. They can probably be repaired later on. At one point, the company got rid of the traditional turn-signal switch on some cars before later putting them back. (Tesla and Musk did not respond to my requests for comment.)

For a long time, the strategy worked. In the span of a decade, Tesla rose from a start-up to an auto giant worth more than Ford, Toyota, and GM *combined*—despite selling just a fraction of the cars its rivals did. That's why investors still back Musk today. He's made them a lot of money before, so if things get bad, he's the man to figure it out, right? Musk himself has helped promulgate the idea that he has all the answers. At one point, he said he would personally start approving some of his employees' expenses amid a "hardcore" round of cost cutting. "He has always been the kind of person who says, 'I am the only one who can do this,'" Sam Abuelsamid, an auto-industry analyst at the research firm Telemetry, told me. In 2018, when I was the editor in chief of the auto publication *Jalopnik*, Tesla's now-defunct communications team frantically admonished us for reporting that Doug Field, the company's top engineer, had left the company. He was merely the top *vehicle* engineer, a spokesperson said. Musk—despite not being trained as an engineer—was the top engineer.

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In 2019, an analysis from the financial firm Bernstein put Tesla's executive-turnover rate at nearly double the average of comparable Silicon Valley companies; the number was "dramatically higher" among Musk's direct reports as well. Layoffs and firings have sometimes felt more mercurial than anything else. Consider the team behind Tesla's charging network. In June 2023, I wrote that Tesla's fast and reliable "Superchargers" were its secret weapon; other automakers had begun building cars using Tesla's proprietary charging port to give their customers Supercharger access. About a year later, Tesla laid off the entire 500-person team. Many of the staffers were later rehired and returned, but not all: Rebecca Tinucci, Tesla's head of charging, left for good. The Supercharger network has grown since then, though not without a period of chaos for the automaker and the entire car industry that bet on it. The cuts to Tesla's charging workforce were part of a bigger reduction in headcount last year: Within the first six months of 2024, Tesla had shed nearly 20,000 employees, according to internal data viewed by CNBC. And Tesla's latest quarterly SEC filing, released in April, boasts of "a $52 million decrease in employee and labor costs" compared with last year. (In reporting this story, I reached out to roughly a dozen current and former Tesla staffers. None would talk with me on the record.)

Last year's layoffs, Musk said, were designed to position the company for its "next phase of growth." Based on everything he's said so far, that means AI. He has promised that robots and driverless cars will eventually deliver "a trillion dollars of profit a year." Several top executives and engineers have resigned after they reportedly clashed with Musk on his pivot. This month, Tesla is tentatively set to launch its long-awaited robotaxi service in Austin, starting with what Musk has said will be "10 to 12" self-driving Teslas that can also be remotely operated by humans if needed. In other words, the company has a long way to go before it's anywhere close to something like a driverless Uber. For now, the company still makes its money from selling cars, and Tesla has lost many of the smart people who helped create what was once an innovative automotive juggernaut. Musk still does have several long-standing deputies at the company, including Tom Zhu, a senior vice president who previously led Tesla's operations in China, and Lars Moravy, who leads vehicle engineering. But the departures put more pressure on Musk: He doesn't have the workforce he once did to build to make groundbreaking electric vehicles.

The silver lining for the future of electric vehicles is that these former Tesla staffers are fanning out to the rest of the car industry. Take Field, the former head Tesla engineer (or "head *vehicle* engineer," in Tesla's telling). He now leads advanced vehicle software at Ford, as well as a program tasked with making an affordable EV. Tinucci, the former head of Tesla's charging team, is now overseeing Uber's shift to electric vehicles. "I think we'll see kind of a Tesla diaspora," Kristin Hull, the founder of Nia Impact Capital, an investment firm with a stake in Tesla, told me. "The rest of the world is catching up. And I think that's also playing a part in why the talent is moving on." (Field and Tinucci didn't respond to requests for comment.)

Musk's detractors might easily fall into schadenfreude. His actions might finally be catching up with him. But if Tesla continues to slide, there will be ramifications beyond Musk and his investors simply losing money. Tesla remains one of the very few companies outside of China that is making money by selling electric cars, which makes it uniquely capable of making a super-affordable EV. Every day that goes by without cheaper options, Americans who might be inclined to go electric are instead buying gas-burning cars that could be on the road for a decade or more. Meanwhile, other carmakers have spent years racing to build cleaner cars in large part to keep up with Tesla. Without the company's continued dominance, it's easy to see a heavily polluting industry fall back on old habits. The risk is particularly high right now as the Trump administration is betting big on fossil fuels.

Whether Tesla can rebound will test something truly scarce—not Musk's wealth but the faith that others have in him. Musk has already alienated people on the left and right, but many people still fiercely believe in his ability to make them rich. At some point, even they might start to vanish.

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