

Job cuts pile up in the electric vehicle segment

Article

The news: The EV market has not been spared as various companies are shedding headcount. More than **30,000 tech workers** at over **150 companies** have been cut from their roles so far this year.

Why it's worth watching: EVs are considered an emerging tech segment, driven by high demand and mounting competition as the global automotive industry **shifts to electric vehicles**.

But various companies that were on a hiring spree months ago are now quickly reversing their staffing situations by laying off hundreds of workers.

- **Rivian Automotive**, which makes electric pickups, SUVs, and delivery vans, is reportedly planning to lay off hundreds of non-manufacturing jobs after it doubled its headcount over the past year, [per](#) Bloomberg.
- **Ford**, which recently divided its operations between [combustion-engine and electric-powered divisions](#), is [preparing to cut 8,000 jobs](#), ostensibly to “help fuel the EV transition.”
- **Tesla** challenger **Lucid Group** seems to have stalled before it has even started. The company [slashed](#) its production forecast for the year in half, with layoffs likely to follow.
- **Argo AI**, a Ford- and **Volkswagen**-backed AV company, [laid off 150 employees](#), amounting to 6% of its workforce, in July.
- **GM** announced it was taking steps to manage costs and cash flow, including “limiting hiring to critical needs in positions that support growth,” said CEO **Mary Barra**.

What this means for EV manufacturers: Considering EV design and production are specialized fields, the loss of talent could derail plans for market leaders looking to increase output to meet demand.

- Not only could an exodus of employees contribute to brain drain within the company, it could also keep away potential hires.
- When Tesla [cut](#) 3.5% of its total workforce, **Amazon**, **Apple**, Lucid Motors, and Rivian benefited by hiring over 200 ex-Tesla workers.
- Lucid and Rivian may have easily absorbed Tesla talent, but their own financial tribulations could force them to lose staff just as easily. Unlike Tesla, these startups [have a limited runway](#) to make good on their EV deliveries.

What this means for EV workers: [Mass layoffs](#) could be a temporary setback in an industry undergoing the [tipping point for EV mass adoption](#).

- Many tech companies are desperate for automotive expertise. In context, Apple recently [hired](#) **Lamborghini**’s lead engineer **Luigi Taraborrelli** to steward its car project.
- EV workers could consider applying to other Big Tech companies like Amazon and **Google**, which have various EV, smart car, and autonomous vehicle projects under development.

However, Big Tech companies are similarly pressed to adjust to market conditions by reducing headcount, which makes for [a challenging job market](#) in the short term.

Top 10 US Electric Vehicle (EV) Models, Ranked by Sales, Q1 2022

	Q1 2021	% share	Q1 2022	% share
1. Tesla Model Y	37,700	38.2%	71,358	41.1%
2. Tesla Model 3	20,700	21.0%	46,707	26.9%
3. Ford Mustang Mach-E	6,614	6.7%	6,734	3.9%
4. Tesla Model X	6,100	6.2%	6,488	3.7%
5. Hyundai Ioniq 5*	-	0.0%	6,244	3.6%
6. Kia EV6*	-	0.0%	5,281	3.0%
7. Tesla Model S	4,800	4.9%	5,190	3.0%
8. Nissan Leaf	2,925	3.0%	4,371	2.5%
9. Audi e-tron	4,324	4.4%	3,252	1.9%
10. Kia Niro	3,299	0.7%	680	1.9%
Total	98,692	-	173,561	-

Note: *new models in 2022

Source: Kelly Blue Book, "Electrified Light-Vehicle Sales Report: Q1 2022;" Insider Intelligence calculations, April 25, 2022

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