

Human + AI Working Together

A circular inset image showing a hand holding a yellow sticky note with the words 'INNOVATE', 'INFORM', and 'INSPIRE' written on it. In the background, a blue banner with the text 'Going Beyond Technology' is visible.

Going Beyond
Technology

INNOVATE
INFORM
INSPIRE

Chapter 3: Human-Agent Teams

In Chapter 2, we explored the individual building blocks of Microsoft's digital workforce and examined the roles of Copilot, Agents, Scout, OpenClaw and Autopilot.

Understanding the technology is important.

Understanding what it means for organisations is even more important.

As intelligent agents become more capable, the focus shifts from individual tools to how work itself is organised. Microsoft believes the future will not be defined by people using AI, but by people working alongside AI as part of Human-Agent Teams.

In this chapter, we explore what that future could look like in practice. We examine concepts such as digital labour, Always-On Personal Agents, Work Charts and Intelligence on Tap, and consider how organisations may evolve when intelligent agents become part of the workforce.



The New Operating Model for the Frontier Firm The Next Evolution of Teamwork

For decades, organisations have been designed around a simple assumption. Work is performed by people. Technology provides support. Software stores information. Processes coordinate activity. Employees deliver outcomes.

This model has remained remarkably consistent despite waves of technological innovation. The introduction of computers changed how information was managed. The internet changed how people communicated. Cloud computing changed how technology was delivered. Yet the underlying operating model remained largely the same. People did the work. Technology supported them.

Microsoft believes Artificial Intelligence will change that assumption. Not because technology will replace people. But because technology is beginning to participate in work itself.

This is the foundation of the Frontier Firm. An organisation where humans and intelligent agents work together to achieve outcomes that neither could achieve alone. The implications extend far beyond productivity. They affect how organisations are structured, how teams operate, how decisions are made and how work is distributed. In many ways, Agent First is not simply a technology strategy. It is a new operating model.

From Employees Using AI to Teams Working With AI

Much of today's AI adoption focuses on individual productivity. Employees use Microsoft 365 Copilot to:

- Draft reports
- Summarise meetings
- Analyse information
- Create presentations
- Manage communications

These capabilities create measurable value. But they still place the employee at the centre of every interaction. The employee asks. The AI responds. The employee acts.

Microsoft's Agent First vision introduces a different model. Instead of interacting with a single AI assistant, employees increasingly work alongside multiple specialised agents.





Some gather information. Some monitor activity. Some execute tasks. Some coordinate workflows. Some provide recommendations.

Rather than acting as tools, they begin operating more like team members. This is the transition from AI assistance to Human-Agent Teams.

What Is a Human-Agent Team?

A Human-Agent Team combines human expertise with digital labour. Each participant contributes different strengths.

Humans Provide	Agents Provide
Judgement	Speed
Leadership	Scale
Creativity	Consistency
Ethics	Analysis
Empathy	Monitoring
Decision-Making	Coordination
Relationship Management	Task Execution

Neither replaces the other. Together they create a more capable workforce.

Consider a programme manager responsible for delivering a complex transformation initiative. Traditionally they may spend significant time:

- Gathering updates
- Reviewing risks
- Chasing actions
- Producing reports
- Coordinating stakeholders
- Managing administration

Within a Human-Agent Team, many of these activities could be supported by specialist agents. A reporting agent gathers updates. A risk agent monitors issues. A communications agent prepares stakeholder briefings. An Autopilot coordinates activities and tracks progress. The programme manager remains accountable but gains access to significantly greater capacity. The role evolves from information management towards leadership and decision-making.





Introducing Digital Labour

One of Microsoft's most important emerging concepts is digital labour. Traditionally, organisational capacity has been measured through people. When demand increases, organisations hire additional employees, engage contractors or redistribute work across existing teams.

Digital labour introduces a new source of capacity. Instead of relying solely on human effort, organisations can utilise intelligent agents to perform specific responsibilities.

Examples might include:

- Monitoring compliance activities
- Managing service requests
- Researching policy changes
- Preparing reports
- Updating systems
- Coordinating workflows
- Supporting case management

Importantly, digital labour does not operate independently of governance. It works within controls defined by the organisation. Human oversight remains critical. The goal is not autonomous organisations. The goal is augmented organisations. This distinction is particularly important across government, healthcare, education and policing, where accountability remains essential.

The Rise of Always-On Personal Agents

Today's AI experiences are largely reactive.

You ask a question > The AI responds.
You request a summary > The AI creates one.

Agent First introduces a more proactive model.

Microsoft's vision increasingly points towards Always-On Personal Agents. These agents work continuously in the background on behalf of individuals. Rather than waiting for instructions, they monitor activity, identify priorities and provide support when needed.





Imagine arriving at work to find:

- Key actions already prioritised
- Emerging risks already identified
- Relevant information already gathered
- Meeting briefings already prepared
- Outstanding commitments already highlighted

The employee remains in control. The difference is that much of the preparation work has already been completed. This creates a fundamentally different relationship between people and technology. The AI becomes a persistent partner rather than an occasional assistant.

Intelligence on Tap

A key challenge facing modern organisations is information overload. Employees spend significant amounts of time searching for information, validating sources and determining what matters. Yet organisations already possess much of the knowledge required to make better decisions. The problem is access.

Microsoft describes the future state as Intelligence on Tap. The idea is simple. Knowledge, insight and expertise should be available when needed, rather than hidden inside systems, documents or departments.

Through capabilities such as:

- Microsoft Graph
- Work Graph
- Work IQ
- Fabric IQ
- Scout

employees gain access to organisational intelligence in real time.

Rather than asking:

"Where can I find this information?"

They ask:

"What do I need to know?"

This may seem like a subtle distinction. In reality, it represents a significant shift in how organisations operate. Time spent searching decreases. Time spent acting increases.



Beyond Organisational Charts: The Rise of Work Charts

Most organisations understand organisational charts. They define reporting structures, responsibilities and lines of accountability. However, organisational charts only describe people. They do not describe how work happens.

Microsoft has introduced the concept of Work Charts as a way of understanding Human-Agent Teams. Rather than focusing solely on reporting lines, Work Charts focus on outcomes.

They describe:

- Who contributes to a task
- Which agents support delivery
- How information flows
- Where decisions are made
- How responsibilities are distributed

Imagine a service delivery team. Traditionally the team consists entirely of employees.

In an Agent First environment, the team may include:

- Service Manager
- Service Officer
- Customer Communications Agent
- Case Triage Agent
- Compliance Agent
- Reporting Agent
- Autopilot Coordinator

The organisational chart remains unchanged. The work chart looks completely different. This is one of the most important shifts leaders will need to understand.

What Changes for Leaders?

Much of the conversation around AI focuses on employees. The impact on leadership may be even more significant. Leaders increasingly become managers of both people and digital labour. This introduces new responsibilities



Leaders Need to Understand:

- Which work should be delegated to agents
- Which decisions require human oversight
- How digital labour is governed
- How organisational knowledge is managed
- How Human-Agent Teams are structured
- How AI performance is measured

The role of leadership becomes less about supervising activity and more about orchestrating outcomes. This shift mirrors previous transformations brought about by automation and digital technology. However, the scale of change may be greater because AI affects knowledge work rather than purely operational processes.

What Changes for Employees?

One of the most common concerns surrounding AI is whether people will remain relevant. Microsoft's Frontier Firm vision suggests the opposite. As agents become more capable, human expertise becomes increasingly valuable.

Employees spend less time:

- Searching
- Coordinating
- Reporting
- Updating
- Chasing information

And more time:

- Leading
- Deciding
- Advising
- Creating
- Innovating
- Supporting people

The nature of work evolves. Human contribution becomes more focused on areas where judgement, empathy, and expertise matter most. This is why many organisations view Agent First as an opportunity to improve employee experience as well as productivity.



Challenges Organisations Must Address

The transition towards Human-Agent Teams is not without challenges. Several important questions remain.

- **Governance**
 - How much autonomy should agents have?
- **Trust**
 - How do employees gain confidence in AI-driven recommendations?
- **Skills**
 - How do organisations prepare people to work alongside agents?
- **Security**
 - How is information protected?
- **Accountability**
 - Who remains responsible for outcomes?

These considerations become increasingly important as organisations move towards more advanced AI capabilities. Technology alone is not enough. Successful Frontier Firms will combine innovation with strong governance, leadership and organisational readiness.

What This Means for Public Services

The concept of Human-Agent Teams is particularly relevant across public services.

Many organisations face:

- Rising demand
- Resource constraints
- Skills shortages
- Increasing complexity

Agent First offers an opportunity to expand capacity without compromising accountability. Imagine:

- A council officer supported by policy agents and service triage agents.
- A clinician supported by research and administrative agents.
- A police analyst supported by intelligence-gathering agents.
- A university administrator supported by student services agents.

The human remains responsible. The digital workforce provides support. This is not about replacing public servants. It is about enabling them to focus on delivering greater value.



Key Takeaways

The Frontier Firm is built around Human-Agent Teams rather than individual AI tools.

Digital labour provides organisations with a new source of capacity while maintaining human oversight and accountability. Always-On Personal Agents represent the next evolution of AI support, moving from reactive assistance to proactive collaboration.

Capabilities such as Work IQ, Fabric IQ and Scout help create Intelligence on Tap, making organisational knowledge more accessible and actionable. Work Charts provide a new way of understanding how people and agents collaborate to deliver outcomes.

The organisations that thrive in the Agent First era will not simply deploy AI. They will redesign work to take advantage of Human-Agent Teams, digital labour and organisational intelligence. Technology may power the Frontier Firm. But people remain at its centre.

How CPS Can Help

Moving towards Human-Agent Teams requires more than technology. It requires new ways of working, new operating models and a clear understanding of how people and digital labour can work together effectively. CPS helps organisations design practical, people-focused approaches to Agent First adoption.

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Get in touch via hello@cps.co.uk



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