

The Work Trend Index Annual Report

# 2025:

## The Year the Frontier Firm Is Born

Name

Title

We surveyed **31,000 people** across **31 countries**, analyzed labor and hiring trends from LinkedIn, studied Microsoft 365 productivity patterns globally—and interviewed AI startups, economists, and academics shaping the future of work.





# The Frontier Firm

# Journey to the Frontier Firm

## Phase 1

Human with assistant



Every employee has an AI assistant that helps them work better and faster

## Phase 2

Human-led agents



Agents join teams as “digital colleagues,” taking on specific tasks at human direction

## Phase 3

Human-led, agent-operated



Humans set direction and agents run entire business processes and workflows, checking in as needed

# The Emerging Frontier Firm

1

You can buy  
intelligence on tap

2

Human-agent teams will  
upend the org chart

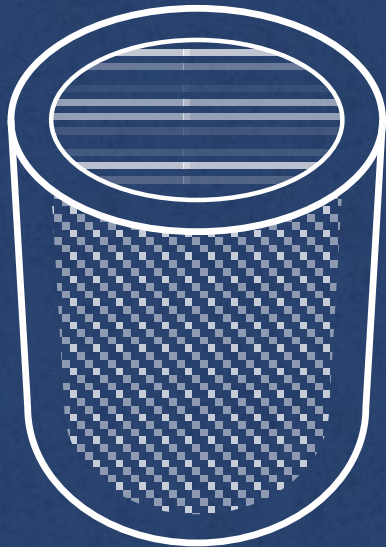
3

Every employee  
becomes an agent boss

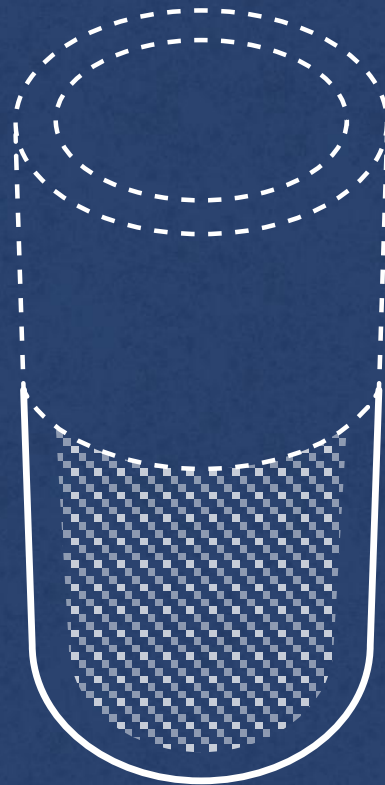


# Intelligence on tap will fill the Capacity Gap

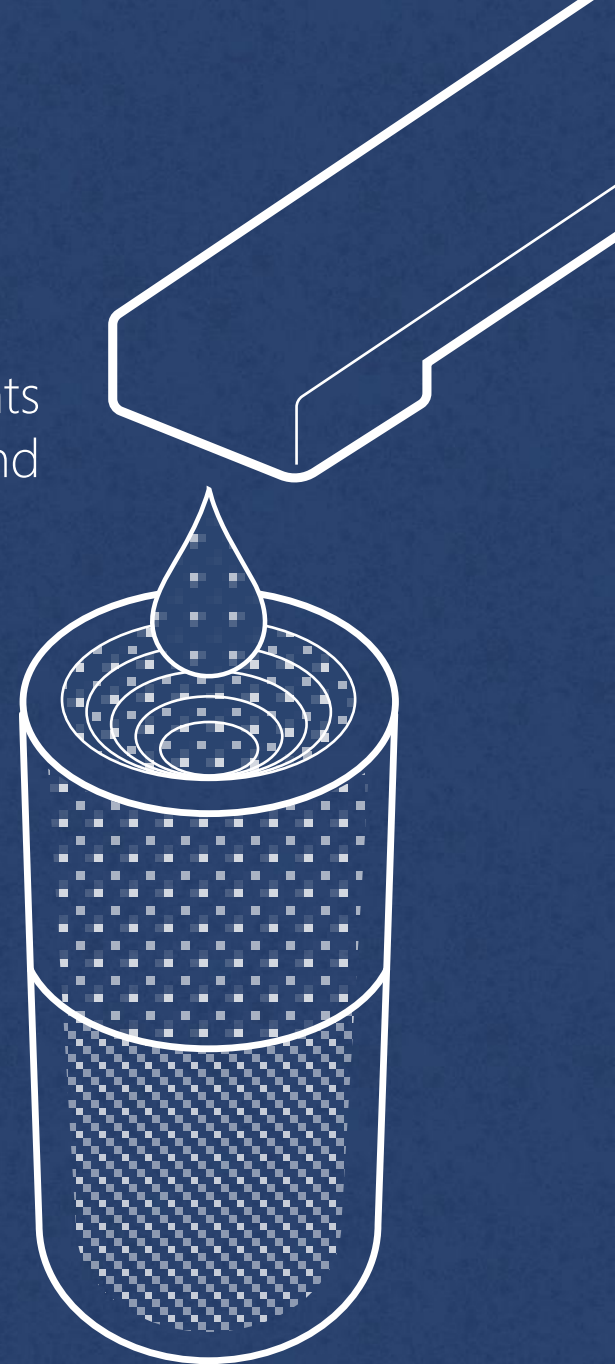
Employees are  
at capacity...



but leaders need  
to deliver more...



and plan to use agents  
to meet the demand



# Human labor is reaching its limits

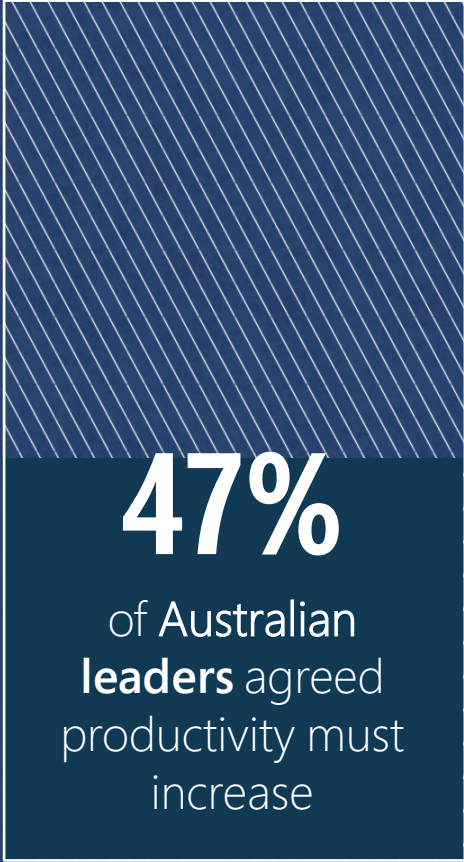
## Capacity Gap



79%

The infographic consists of a vertical rectangle divided into two horizontal sections. The top section is light blue with diagonal white lines. The bottom section is dark blue. The percentage '79%' is displayed in large white font in the dark blue section. Below it, the text 'of the Australian workforce agreed they lacked enough time/energy to do their work' is written in smaller white font.

of the **Australian workforce** agreed they lacked enough time/energy to do their work



47%

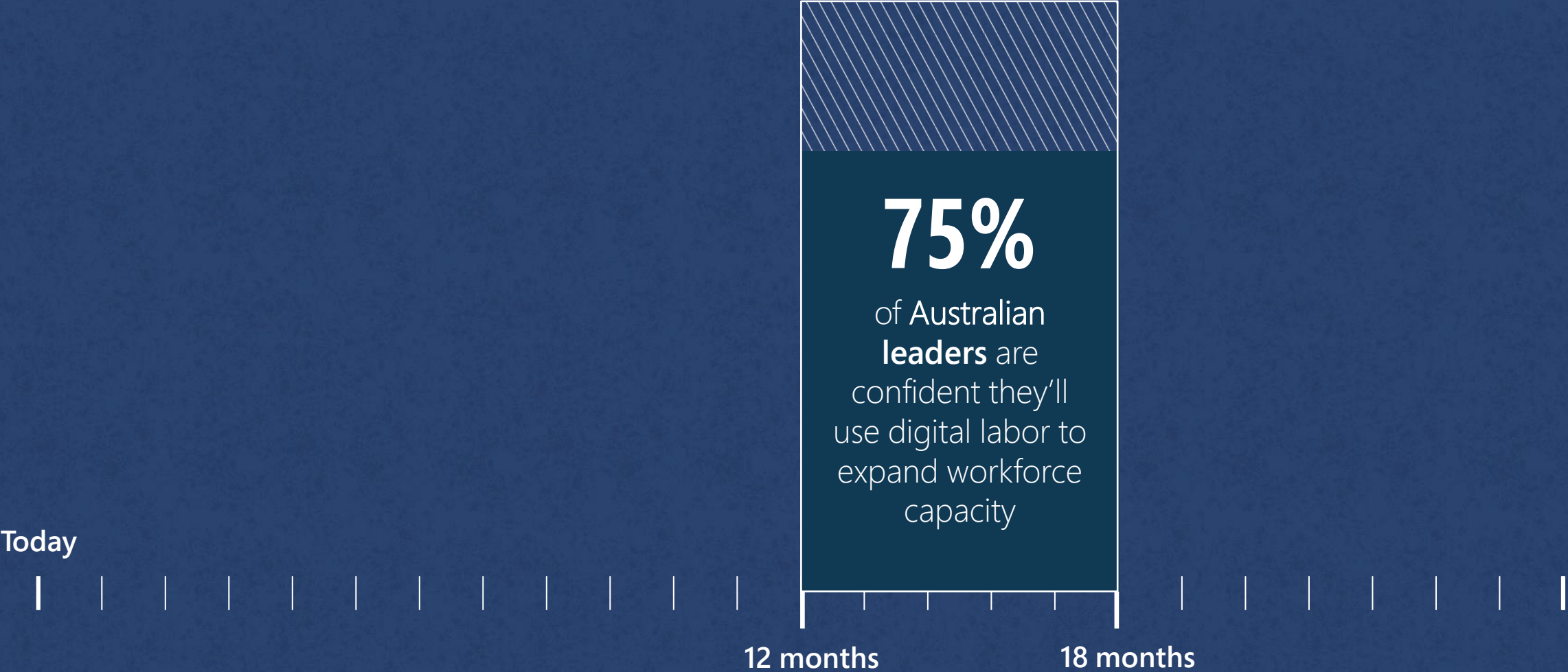
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of Australian **leaders** agreed productivity must increase

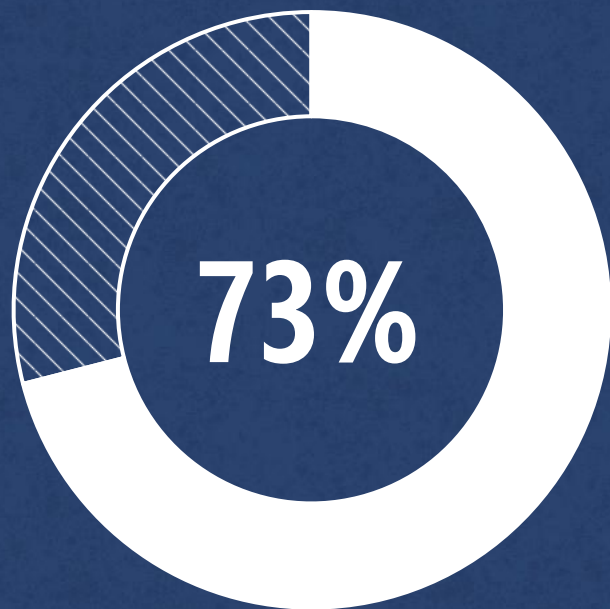
**Employees are interrupted  
every 2 minutes**



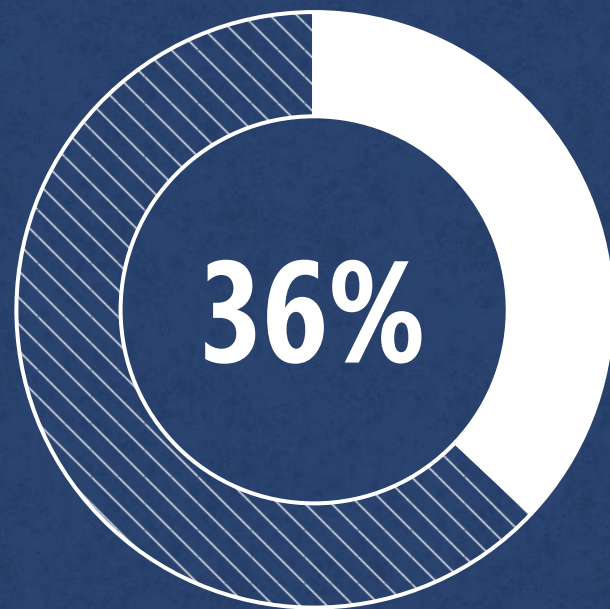
# Most leaders see agents as the way to scale



Employees at Frontier Firms across APAC are twice as likely to say their company is thriving



Frontier Firm  
workers



Region-wide  
workers



# The Emerging Frontier Firm

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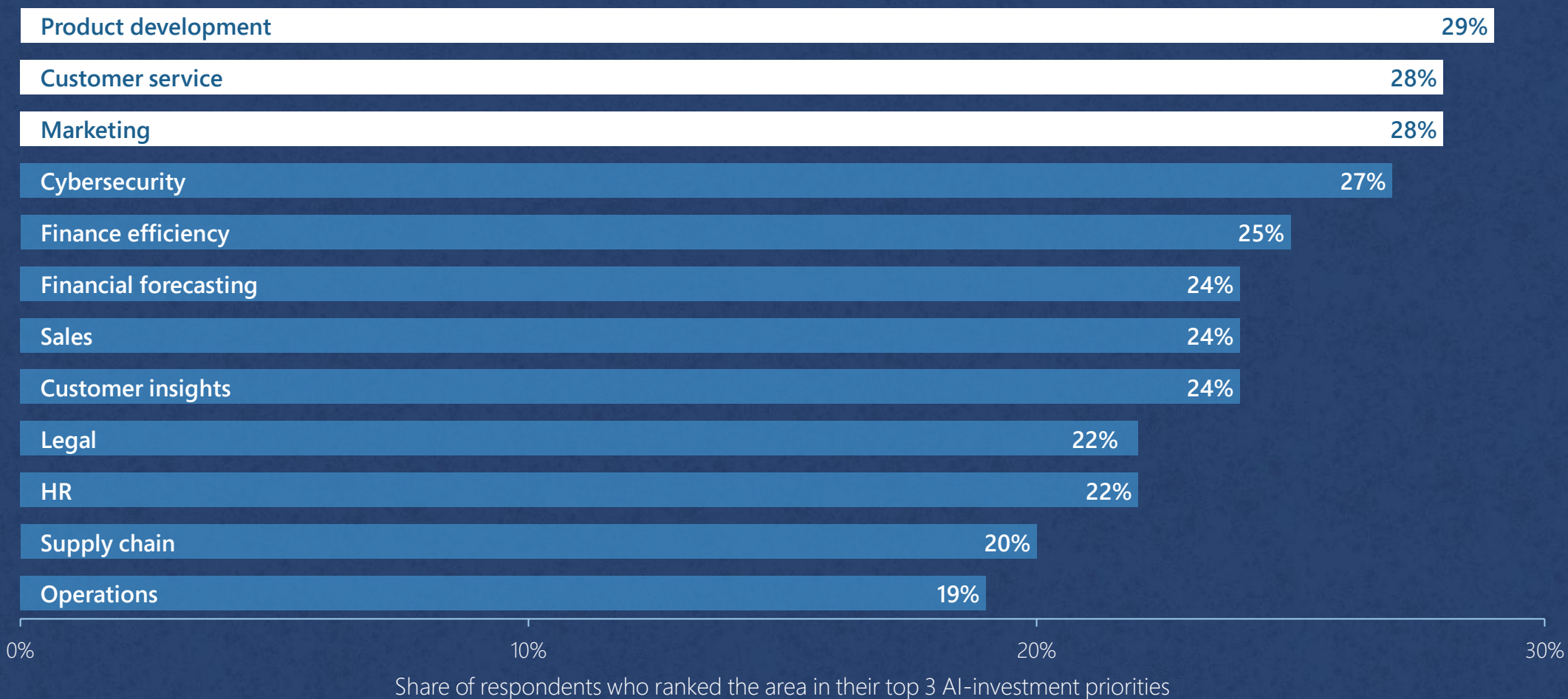
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# Areas of accelerated AI investment

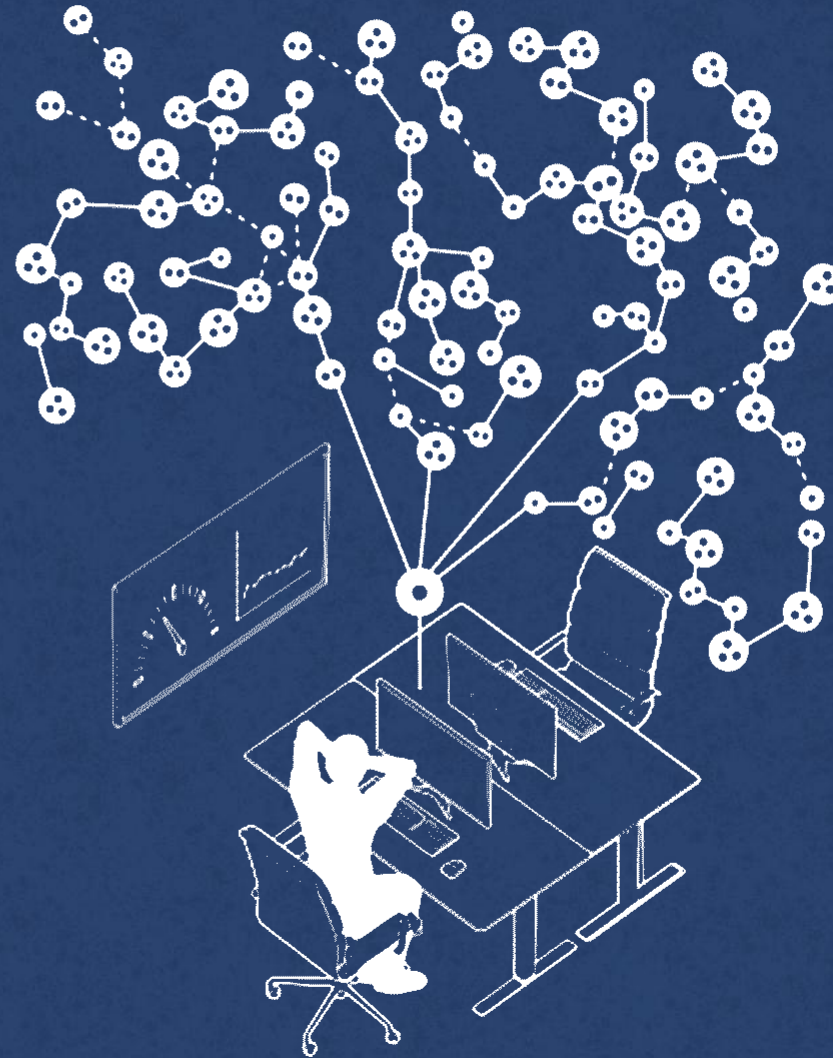
Over the next 6-12 months





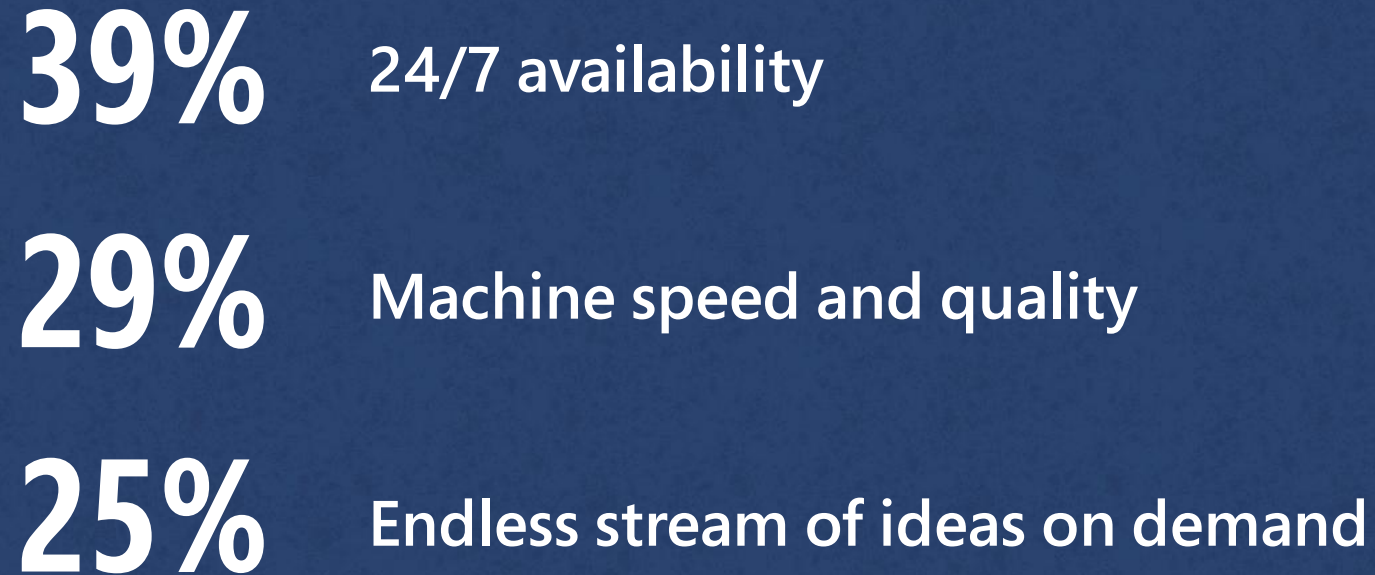
## A new metric: The human-agent ratio

Optimal balance



# Employees turn to AI for its unique strengths

Primary reason chosen by Australians





# Digital colleagues aren't just tools – they're teammates

When asked how they see AI...

**57%**

AU respondents see AI as a  
command-based tool

**40%**

AU respondents see AI as a  
thought partner

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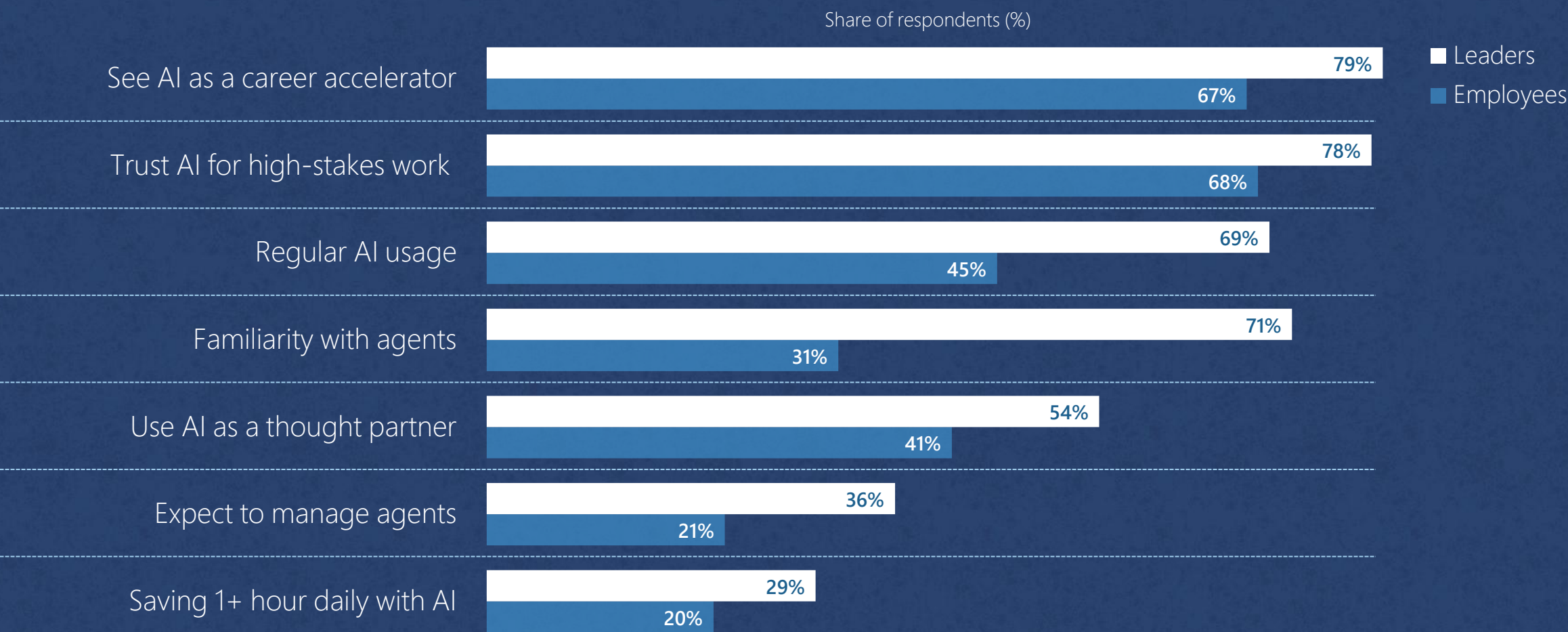
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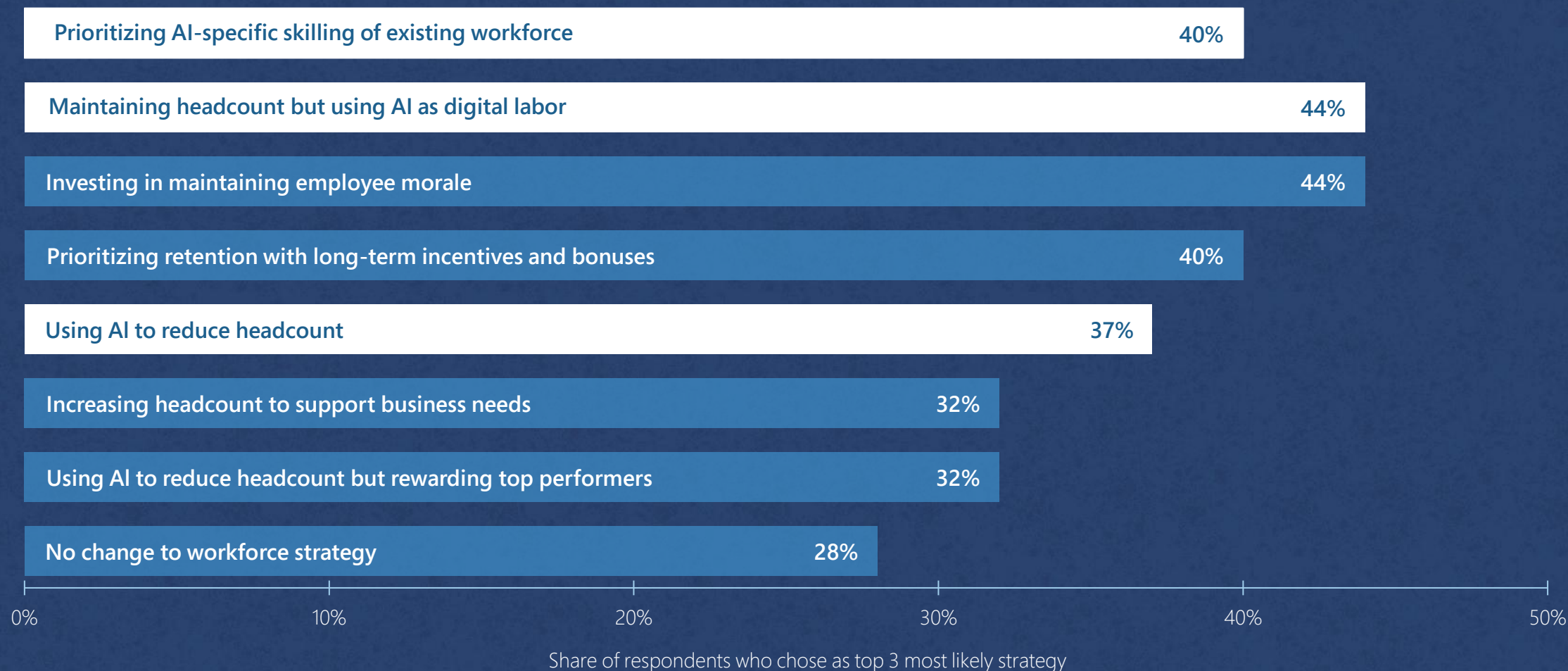
# Leaders are becoming agent bosses, but everyone needs to shift

7 indicators to identify who has an agent boss mindset



Source: Microsoft Work Trend Index Survey 2025 (n = 31,000, except for AI usage n = 25,975, time savings n = 26,269). Findings referenced in report.

# AI skilling and digital labor are top workforce strategies



## Labor market signals

**2x**

Top AI startups are hiring at  
twice the rate of Big Tech

**70%**

of leaders are considering  
hiring for AI-specific roles



# New jobs emerging

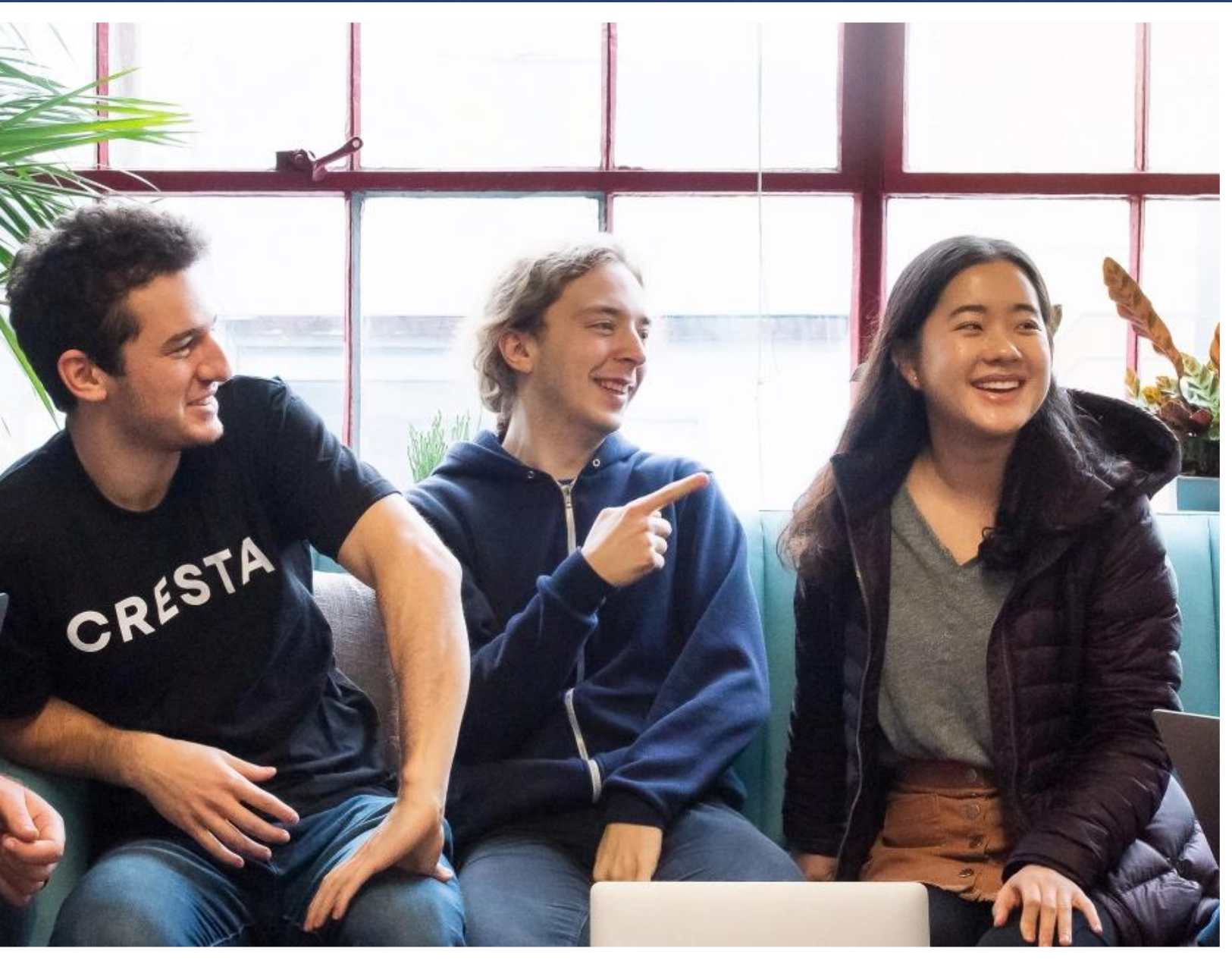
**Agent and  
data specialists**

**AI trainers**

**ROI analysts**

**AI strategists**  
in marketing, finance,  
and customer support





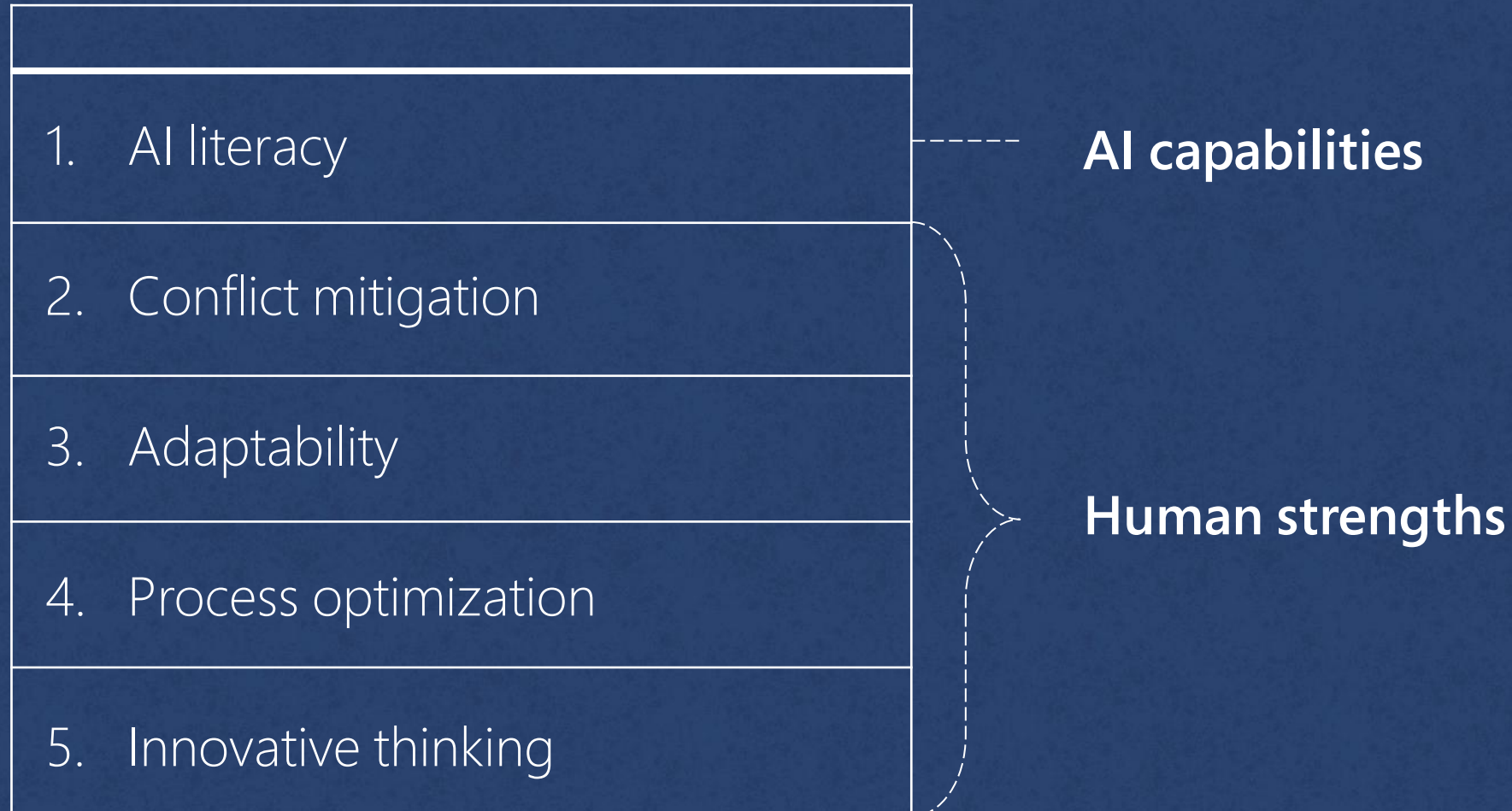
**83%**

**of leaders**  
believe AI will let  
junior employees do  
strategic work sooner.



# In-demand skills for the new era of work

Top skills for 2025 according to LinkedIn





# The path forward

- 1 Hire your first digital employees
- 2 Set your human-agent ratio
- 3 Get to broad scale—fast

A faint, light blue architectural sketch of a modern building with a complex, angular facade and a large, curved roof. The sketch is overlaid on a dark blue background. In the foreground, several small, stylized human figures are walking, providing a sense of scale. The overall composition is centered around the text "How will you adapt?".

**How will you adapt?**

# Thank you

Read the report

<https://aka.ms/2025WorkTrendIndex>



# Key Takeaways

## You can buy intelligence on tap

Intelligence is becoming abundant, affordable and available on demand with AI and agents.

*75% of Australian leaders say they'll use agents as digital team members to expand workforce capacity in the next 12-18 months.*

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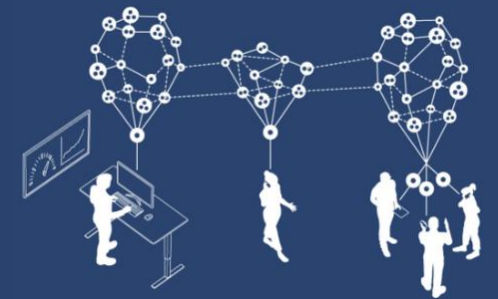


## Human-agent teams will upend the org chat

The traditional org chart will reshape to a work chart. This is a dynamic, outcome-driven model where human-agent teams assemble around goals, not functions, powered by agents that enable faster, more impactful ways of working

*40% of Australian leaders say their organisation is using agents to fully automate workstreams or business processes for entire teams or functions (vs 46% globally)*

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## Every employee becomes an agent boss

Enter the agent boss: someone who builds, delegates to, and manages agents to amplify impact. However there remains a leader/employee disconnect:.

*71% of Australian leaders are familiar or extremely familiar with agents, compared to just 31% of employees. This is a significantly larger disconnect than the global average (67% vs 40%)*



# AI-native companies are making their mark





# And Frontier Firms are emerging

## Accenture

The professional services company built an agent to help its clients automate and streamline past-due payments—**speeding up collections and boosting the bottom line.**

## Bayer

With an agent on the job, researchers on Bayer's Crop Science R&D team each **save up to 6 hours per week, accelerating the development of products** to drive innovation in agriculture.

## Dow

Agents ferret out hidden losses and streamline shipping operations. Once the system is fully scaled, Dow expects **increased accuracy** in logistic rates and billing that in the first year will **save millions.**

## Holland America Line

A new agent concierge instantly responds to the cruise line's guests with conversational, useful answers. It now **handles thousands of conversations a week.**

## The Estée Lauder Companies

The global beauty company created an agent to identify and consolidate consumer insights. Instead of sifting through scattered reports and endless back-and-forths, teams can now **pull up actionable intelligence instantly.**

## Wells Fargo

The financial services company built an agent for 35,000 bankers across 4,000 branches to help its employees locate information they need to assist customers. Now, 75% of searches happen through the agent, **cutting query response times from 10 minutes to just 30 seconds.**



# New in Microsoft 365 Copilot

- **Microsoft 365 Copilot app** is rebuilt for an agent-first world
- **Create** brings OpenAI's GPT-4o AI image generator to work, unlocking design skills for everyone
- Find information from across your organization with AI-powered **Copilot Search**
- Turn notes, docs, and data into instant insights with **Copilot Notebooks**