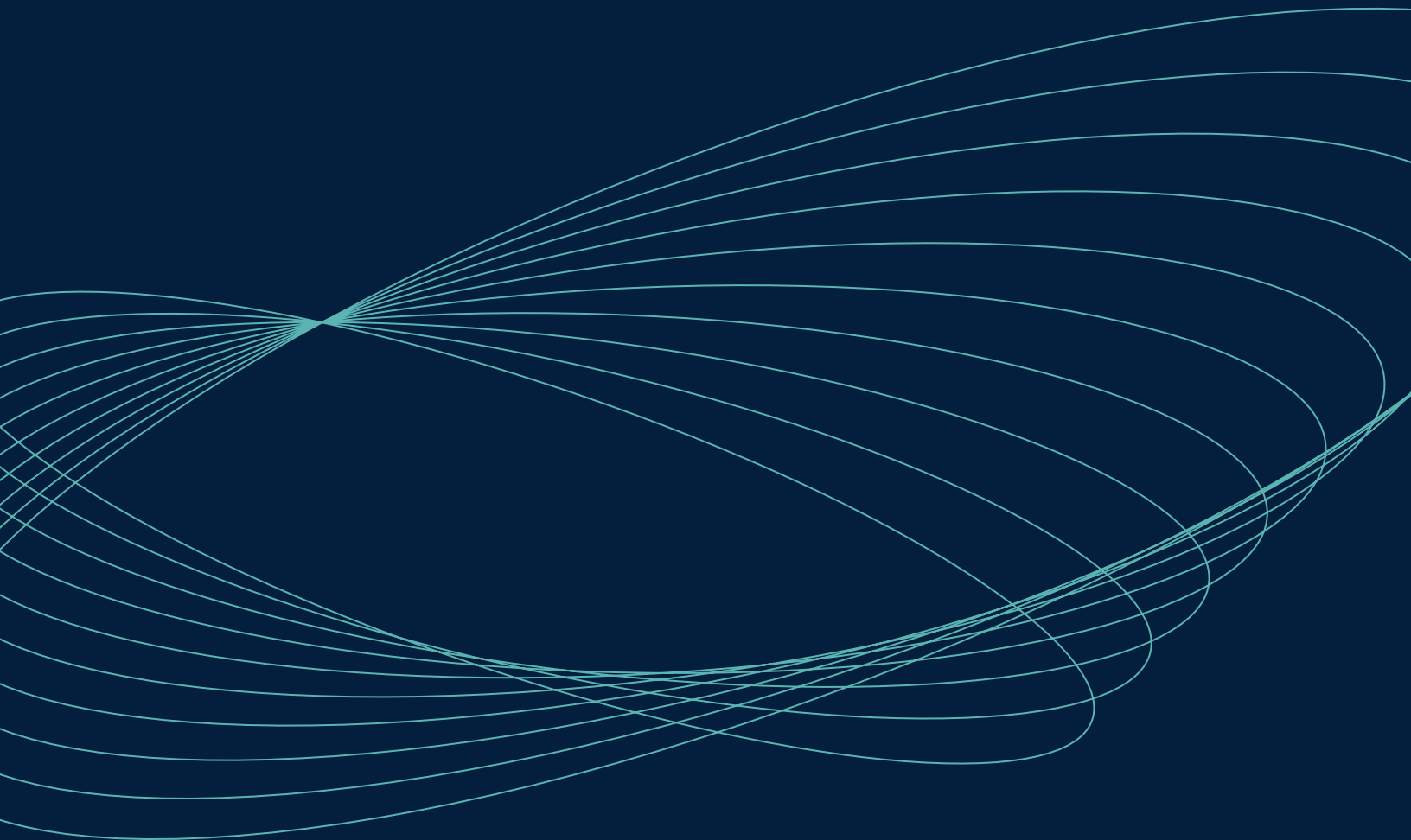


AI Case Study: Microsoft Corporation

Reimagining HR service
delivery through an
AI front door





24/7

Employee support delivered through a single AI-powered experience

Executive Summary

Microsoft is one of the top forces behind the AI revolution and it has not shied away from practicing what it preaches internally. As in other organizations, the Microsoft HR team found that its professional staff was spending far too much time addressing employee queries—often questions that could be easily answered by an online resource. But finding the answers or the

correct form online was not easy and the high volume of tickets in HR led to slow response times and employee dissatisfaction.

Finding the solution became a top priority for investment. The goal was to automate 80 percent of HR inquiries. Development focused on creation of the Microsoft Employee Self Service Agent, which would integrate with systems like Workday and ServiceNow to provide quick and accurate answers to employee questions and requests. The ESS Agent was rolled out across Microsoft functions and business units and has since become a product for Microsoft customers.

Key Challenges

Despite the availability of self-service options, Microsoft's HR teams managed high volumes of repetitive queries about payroll, benefits, leaves, etc. As a result, response times could be slow, leading to employee frustration. We saw that employees often submitted tickets for basic information, increasing HR workload and

costs. The advent of hybrid work and digital transformation exposed gaps in self-service and knowledge access.

Management set a goal to reduce ticket volume and issue resolution times, improve employee satisfaction scores, and free HR professionals' time for strategic work. We set out to automate 80 percent of common HR inquiries, reduce cost, and provide 24/7 support for the Microsoft workforce.

Solutions

We developed the Microsoft Employee Self-Service (ESS) agent, built on Microsoft 365 Copilot and Copilot Studio, which we integrated with Workday, ServiceNow, SuccessFactors. It includes a conversational AI chatbot, predictive analytics, and workflow automation features. We chose this approach to enable deep integration with Microsoft 365 and provide robust security, scalability, personalized responses, compliance, and extensibility.

Implementation. We started with a pilot for employees in HR and IT, which lasted two to three months. Next, ESS was rolled out to HR, IT, legal, and compliance.

Technical challenges. The major technical challenges involved integration with legacy systems and ensuring knowledge-base accuracy. To address these challenges, we are continually fine-tuning our approaches to gain a comprehensive understanding of the entire process flow. This involves creating robust technical specifications that capture system dependencies—both upstream and downstream—as well as security and privacy requirements. Additionally, we are developing functional design documents that include wireframes to clearly illustrate user requirements, mapping the current experience and how it will evolve as additional AI is introduced. These steps are helping us enhance our ability to synchronize our agentic platform with legacy systems, ensuring smoother, more efficient integration and a seamless transition for users.



“
What began
as an internal
HR tool is now
a product for
customers.”



The ESS Agent created a single tool for employee support.

Change management. Alongside these technical efforts, we also prioritized engagement and education through proactive change management and thoughtful resource planning. For the HR function, a top-down approach proved highly effective—by securing leadership alignment from the outset, we were able to drive momentum and minimize resistance. Recognizing early on that there were varying levels of understanding and comfort with AI among HR leadership, we course-corrected to ensure everyone had a consistent baseline of knowledge and was moving forward together.

There were significant concerns over privacy and trust in AI, and we made upfront investments in content and training to address these. We provided training, FAQs, and live support during rollout, established clear data governance and privacy protocols, and solicited feedback for continuous improvement. Additionally, we assigned advocates throughout the HR organization to support the rollout, who serve as points of contact within their teams to help eliminate friction and ensure smooth adoption.

Budget or resource constraints. Our long-term vision enabled us to create a business case that would self-fund the AI initiative and foster open trade-off conversations. Previously, HR had other priority investments, but as the potential of AI became clear, it was recognized as a top

opportunity for investment, with other initiatives moving down the list. There were trade-offs involved in making this shift, as resources had to be reallocated from previous priorities to support the AI rollout. While the organization initially didn't fully recognize the opportunity to invest in AI, these discussions helped build awareness and support for the necessary investment, ensuring a successful implementation. By aligning on a shared vision for the future, we were able to demonstrate the value of the project and secure the resources needed to move forward effectively.

Preparation & Training

HR team members. Training on AI escalations, knowledge base updates, analytics.

Employees/HR end-users. Quick-start guides, in-app tutorials, communications.

Leadership. Briefings on AI capabilities, limitations, and value.

Table 1 below shows some of our tools.

Table 1

Tool	HR Functions
Employee Self-Service (ESS) Agent	Microsoft employee self-service, HR service delivery, HR operations
Microsoft 365 Copilot	GenAI assistant used as the foundation for ESS
Copilot Studio	Used to build and customize ESS; HR service automation, workflow orchestration
Workday (integrated)	Core HR, payroll, benefits, talent data access
ServiceNow (integrated)	HR case management, issue resolution, escalations
SAP SuccessFactors (integrated)	Enterprise HCM platform integrated into ESS

Results

Efficiency gains. The ESS Agent has streamlined HR and IT support by centralizing routine employee service delivery tasks into a single, AI-powered experience. This reduces the need for employees to navigate multiple systems or submit traditional support tickets, resulting in faster resolution times and less friction in daily workflows. Early results a significant reduction in support ticket volume—one public source notes a 31 percent drop in support tickets. By automating common queries and tasks, the ESS Agent enables HR and IT teams to focus on higher-value work, improving overall productivity.

Quality improvements. Employees are more likely to receive correct and consistent answers, as the ESS Agent draws from authoritative knowledge sources and integrates with core HR and IT systems like Workday, SAP SuccessFactors, and ServiceNow. The agent’s ability to personalize

responses and automate workflows enhances the employee experience, reducing frustration and wasted time.

Business impact. The ESS Agent is credited with boosting employee satisfaction and engagement by providing a “one-stop shop” for HR and IT needs, available directly within Microsoft 365 Copilot. Organizations adopting the ESS Agent report measurable improvements in operational efficiency, cost savings, and employee experience, as highlighted in Microsoft’s public case studies and customer testimonials.

Qualitative benefits. Employees appreciate the simplicity and speed of getting answers or completing tasks without waiting for human intervention. HR and IT teams benefit from reduced administrative workload, allowing them to focus on strategic initiatives. Feedback from Microsoft customers who are using the ESS Agent underscores the value of having a single, reliable starting point for workplace support.

Key Lessons & Best Practices

To deliver transformative AI programs, start with a clear, compelling vision to articulate not just what we aim to achieve, but why it matters for the future of HR. Selecting the right technology solution was critical, one that scales, integrates seamlessly across our current tech stack, and positions us for long-term success. Equally

important is driving adoption across all levels of the organization, ensuring leaders champion the change and employees embrace new ways of working. If we were starting over, we would engage stakeholders earlier and invest more in content curation and user-experience design.

After rollout, it’s also important to keep the organization energized around the “art of possible” by showcasing real, measurable impact - such as cutting ticket volumes, accelerating resolution times, and freeing HR teams to focus on strategic priorities. These success factors are



31%

Reduction in support ticket volume

not optional; they are the foundation for unlocking efficiency, improving employee experience, and delivering sustainable business outcomes that set us up for success.

It was surprising how quickly we were able to ramp up, especially considering the scale of our operations. The advancement in technology and the rapid pace of execution far exceeded what we typically experience with traditional program implementations. Additionally, the AI products themselves continued to evolve throughout the process, which brought both new opportunities and challenges. There were a number of false starts along the way, but we recovered from them and kept moving forward, ultimately achieving strong results.

Looking Forward

We plan to expand the ESS Agent to more HR and IT scenarios, integrate with additional business systems, and leverage predictive analytics for workforce planning. We will also continue piloting additional AI powered tools for HR.



AI now handles routine service delivery so HR can focus on strategic work.

About This Case Study

Organization: Microsoft Corporation
Industry: Technology
Company Size: 220,000+ employees
Contact: Salonee Shah, Lauren Harris
Date: February 2026

For more information about HR AI implementation practices, contact the organization directly or visit chro.org.

