



## The business value of AI

# How Microsoft is reinventing Human Resources with Microsoft Copilot

### *In one year, Microsoft HR transformed how it supports and empowers its global workforce*

Microsoft HR strives to provide a strong company culture, a shared purpose, and a flexible work environment that leads to enhanced creativity and innovation for more than 190,000 employees across 109 countries. Technology propels culture forward and enhances the employee experience, with artificial intelligence (AI) playing a pivotal role in delivering a consistent and enriching employee experience.

In recent years, Microsoft HR established the technical architecture and employee support infrastructure to support AI-powered processes. Even so, most transactions remained highly manual, with the HR team relying on a fragmented ecosystem of 108 tools and 50 shadow applications to perform tasks, taking time away from the increasingly strategic responsibilities required to meet the needs of a decentralized, dynamic workforce.

Anchored in People Vision 2030—an initiative to be the most thriving, digitally-enabled, and diverse company on the planet—Microsoft HR set out to transform the way technology like generative AI can empower a global-scale HR organization.

## Approach

In January 2023, Microsoft HR embarked on an ambitious three-year journey to build a best-in-class HR Tech ecosystem. The team leveraged Microsoft Copilot and other AI technologies to streamline HR functions with automation and data insights.

A pilot program helped gather insights on use, quality and impact, initially rolling out features to roles with significant administrative tasks—such as HR Shared Services, Learning, and Recruiting. They then expanded to strategic roles like Compensation and HR Business Partners. Priority use cases that have delivered impactful results across roles and processes include:

**AskHR Virtual Agent (HR Support)**—An employee self-service tool that resolves a significant portion of HR inquiries using Copilot Studio.

**HR Operational Efficiency (HR Operations)**—Citizen-developed applications that automate routine tasks.

**HR Data Analytics Acceleration (HR Business Intelligence)**—AI-led data synthesis speeds up the creation of headcount and recruiting reports.

**Enhanced Candidate Engagement (HR Recruiters)**—Copilot can help draft communications and recruiters can accelerate sourcing via LinkedIn AI-assisted InMail.

**HR Assisted Support (HR Agents)**—Copilot generates case summaries and enables more efficient knowledge base retrieval to accelerate case triage and resolution.

## Microsoft HR at a glance

**190,000** Microsoft employees +  
**126,000** external staff

**2,300** Microsoft HR employees

**8 million** HRWeb page views annually

**900,000** support cases +  
**1.5 million** data transactions annually

## Objectives

**Increase productivity**  
with greater efficiencies and reduced manual tasks

**Improve employee experience**  
with greater engagement and trust

**Reduce costs**  
across tech, operations, and infrastructure

# Adoption and Onboarding

A cross-HR team—AI Orchestration, Adoption, and Impact (OAI)—was formed to implement an adoption program that promotes cohesive user experiences and benefits, boosts engagement, and works with L&D partners to train HR professionals to use the innovative tools effectively. Program tactics include:

**Global HR Summit**—Kicked off the AI conversation and journey at 2023 Summit. Over 2,000 HR employees received Adaptive Leadership and Responsible AI training as foundations for their early AI learning.

**Innovation intake portal**—Built an interactive space for HR colleagues to share and discuss ideas to continuously improve processes in partnership with HR tech subject matter experts who can implement ideas.

**HR AI Champs**—Developed Champs program to scale reach from early adopters to all HR employees.

**Early Adopter program and HR AI Community of Practice**—250 Copilot early adopters shared feedback in a Viva Engage community to inform broader rollouts, and an HR AI Community of Practice generated discussion and provided a central place to share best practices.

**Innovation Forums**—Hosted monthly forums to showcase HR AI users and scenarios, preview upcoming technology, and co-create learning resources in small groups.

**Diary Study for deep user understanding**—Gained insights into the process for learning and applying Copilot in HR environments, helping to inform next-gen onboarding materials.

## Impact

Early results from Copilot for Microsoft 365 and Copilot for Dynamics 365 deployments demonstrate how rapidly Copilots can deliver value.

**Next-gen HR Support**

**26%**

faster responses to initial HR inquiries

**Case volume reduction**

**27%**

of HR inquiries deflected to self-service virtual agent, Ask HR

**Reduced report-to-insights process time**

**82%**

reduction in time needed to create weekly headcount and recruiting reports

**7%**

reduction in overall resolution time

**62k**

downloads of AskHR tool by employees

**Improved prospect candidate outreach**

**16%**

boost in job satisfaction for agents using Copilot an average of 40x per week

**13**

FTE agents reallocated from HR Shared Services to focus on more complex tasks

**49%**

response rates with Copilot email personalization, an increase of 13%

# Lessons learned

## Gather early feedback

Use pilots to gather critical insights from select HR users, fine-tuning AI tools before broader rollout.

## Tailor training by role

Customized training and quick team-based learning "snacks" drove adoption, skilling users on AI functionality and best practices by role.

## Engage and communicate effectively

Actively-managed forums and peer learning helps to overcome barriers to adoption and enhance user proficiency.

## Plan for adoption dips

Get in front of anticipated dips in usage and prepare a strategic engagement and communications plan to sustain engagement and drive long-term success.

## Gather quality data

High-quality performance and usage data is fundamental to making the most of AI applications and tailoring the next round of engagement activities.

## Balance automation and human insight

While automation increases efficiency, maintaining a balance with human oversight was crucial for handling complex decisions.

## Measure from the start

It's imperative to understand the AI use cases that are best positioned to drive value and commit to understanding the impact of AI-powered solutions.

## The path forward

### The Microsoft HR journey to an AI-powered future is just getting started.

In the past year, Microsoft HR has laid a foundation for transformative practices that enhance operational efficiencies and elevate strategic impact. Moving forward, AI will help empower a workplace that is dynamic, inclusive and forward-thinking. The path forward is clear, with future AI initiatives promising to create a proactive, strategic, and data-driven HR ecosystem.

## Next steps

1. Scale AI tools across additional HR processes to enhance efficiency and decision making.
2. Continuously improve AI functionalities for better accuracy and responsiveness.
3. Leverage HR data for deeper insights into workforce management and operational efficiencies.
4. Continue to promote Responsible AI use, ensuring transparency, fairness and accountability in AI applications.
5. Foster continuous learning to keep HR staff skilled on latest best practices and tools.
6. Activate global Champs program so power users in each business unit help drive broader adoption and sustained use.