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AI Highlights The Limits And Potential Of The Digital Workplace

A FORRESTER CONSULTING THOUGHT LEADERSHIP PAPER COMMISSIONED BY SIMPPLR, APRIL 2026

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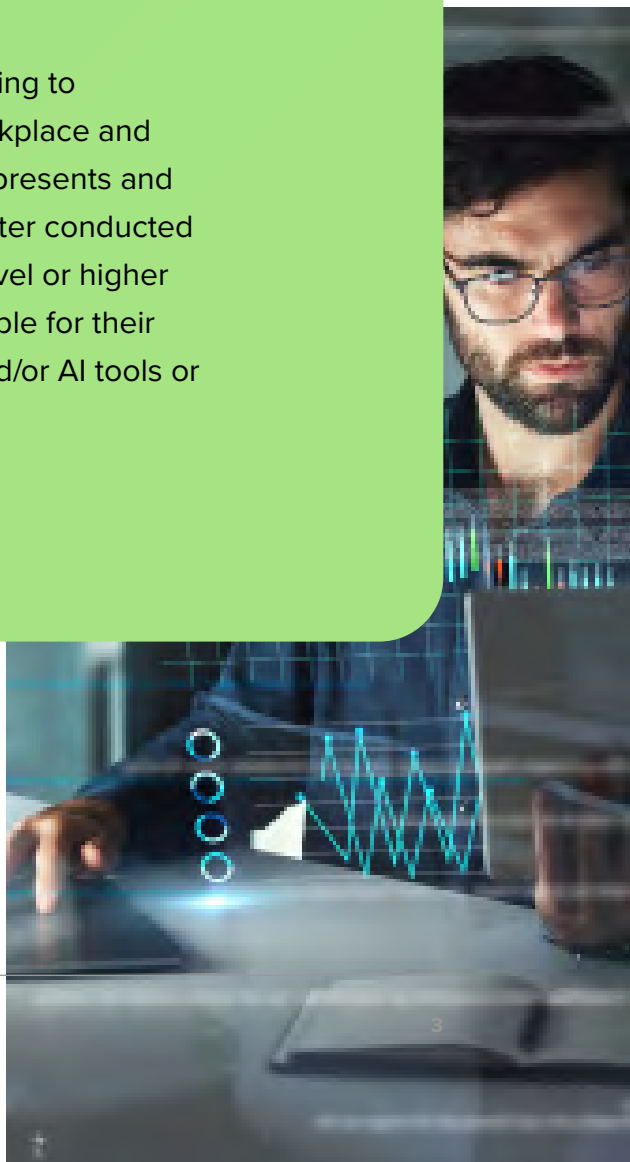
Executive Summary

Generative AI (genAI) and agentic AI are reshaping the digital workplace but realizing their potential requires more than introducing new tools. Organizations must rethink the digital foundations that work depends on. Despite strong enterprise ambition, many AI initiatives struggle to deliver meaningful impact because the environments they operate in are fragmented. Disconnected knowledge, inconsistent security and access controls, and limited employee context make it difficult for AI systems to reliably support work.

To unlock AI's value, organizations must first create a more unified digital workplace foundation. When knowledge, governance, and access controls are consistent across systems, AI can more effectively surface information, guide workflows, and automate routine tasks. In these environments, employees can navigate work without being exposed to its underlying complexity, allowing them to focus more time on higher-value activities and improve both employee experience (EX) and productivity.

In January 2026, Simpplr commissioned Forrester Consulting to examine how genAI and agentic AI are shaping digital workplace and EX technologies. The study explored the opportunities AI presents and the barriers organizations face in realizing its value. Forrester conducted an online survey with 310 IT respondents at the director level or higher in North America or the United Kingdom who are responsible for their organization's digital workplace, employee experience, and/or AI tools or technology strategy to explore this topic.



Key Findings

AI investments in the digital workplace focus on operational effectiveness, not direct revenue growth. Respondents placed growing revenue as a secondary outcome, focusing instead on driving EX, agility, and productivity through their digital workplace AI deployments.

Fragmented data and knowledge systems impede AI success. Poor AI behavior or results often aren't due to the underlying model but to a lack of organizational context. Failing to resolve a fragmented data ecosystem inhibits AI's ability to pull from a unified knowledge base. The foundation must be solid before AI can truly succeed.

Leaders' most desired AI capabilities increase governance and security complexity. End-to-end automation for employee services and automatic data and technology integration were among the capabilities that most excite surveyed leaders. However, these capabilities require upgrades to security and access control solutions and processes. Without a modern, AI-ready security and governance framework, safely implementing these capabilities will remain aspirational.

Decision-makers are exploring unified AI-powered digital workplace platforms. To build a solid foundation for scaling AI, most respondents expressed interest in or had already adopted an AI-powered platform to bring together people, knowledge, applications, and workflows. The expected benefits of doing so — increased productivity and agility — directly reflect the top drivers of AI investments, demonstrating the potential of these platforms to scale AI and drive operational success.

AI Should Drive Productivity And Agility Before Revenue

Digital workplace technologies have the potential to improve EX, harnessing AI to automate mundane digital workplace processes while increasing employee productivity and agility.[1] As IT leaders consider their digital workplace AI investments, they are aligning them with desired outcomes, top employee use cases, KPIs, and governance approaches.

In surveying 310 digital workplace and AI leaders, we found that:

- **AI investments in the digital workplace prioritize operational outcomes over revenue generation.** When asked about the outcomes driving their enterprisewide investments in AI technology for the digital workplace, 68% of respondents pointed to improving customer experience (CX) and 65% hoped to improve speed and agility and increase employee productivity and effectiveness (see Figure 1). Over half (58%) also noted that improving the overall EX was another key outcome for their investment strategy. Forrester's research has established a clear link between improved EX and better CX.[2] The surveyed decision-makers want to drive impact across both, understanding their inherent connection. Similarly, these decision-makers placed less emphasis on increasing revenue, with just 43% noting its importance in investment decisions. Instead, they saw revenue as a secondary result, reflected in the successful attainment of their top-selected outcomes.

- **Employees use AI to streamline routine work with more advanced use cases on the horizon.** Self-service AI is an increasingly important digital workplace capability, with Forrester reporting that 72% of employees preferred to get help for processes like password resets through self-service, and 63% wanted general self-service app access.[3] Surveyed IT leaders saw this trend reflected in their organizations' digital workplace AI use among employees, with 63% reporting that their employees use digital workplace AI to automate services and self-service requests. Additional top use cases reflected increasing AI maturity, supporting

more advanced collaboration, automation, and decision-making applications including enhancing employee collaboration and shared workspaces (59%) and managing and automating internal workflows and approvals (58%).

FIGURE 1

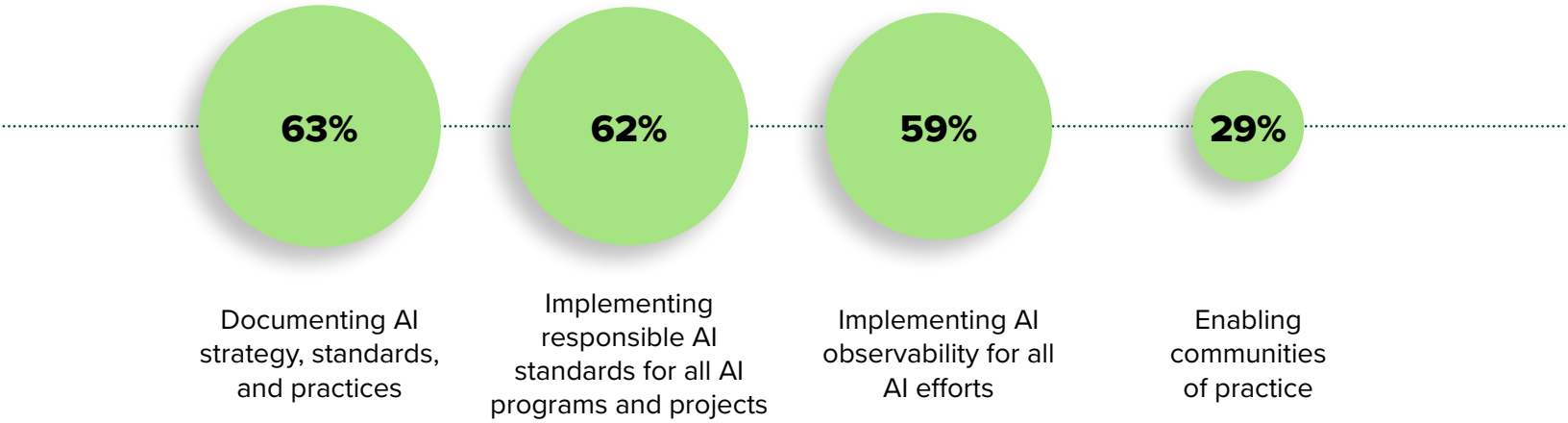
Top Outcomes Driving Digital Workplace AI Investments

Note: Showing top eight responses
Base: 310 NA and UK decision-makers at the director level or higher in IT responsible for their organization's digital workplace, employee experience, and/or AI tools or technology strategy
Source: Forrester's Q1 2026 AI For Digital Workplace Technology Survey [E-66449]

- **Despite being top of mind, current governance approaches remain preliminary.** Governance determines whether AI can move from scattered pilots to an enterprisewide strategy and approach.[4] The core functions of a modern governance system — clear decisions, consistent frameworks, and continuous evidence — are on the minds of the IT leaders we surveyed.[5] Currently, 63% said they are documenting AI strategy, standards, and practices, 62% are implementing responsible AI standards, and 59% are implementing observability for all AI efforts (see Figure 2). These foundational practices are integral to successful governance. However, just 29% enabled communities of practice despite their ability to build a common understanding of current governance trends and approaches, share these emerging standards, and develop institutional governance expertise across the workforce. Scaling AI requires cross-team operationalizing of these foundational governance practices and standards, and communities of practice can help organizations transfer knowledge more efficiently. As governance becomes more complex, it is integral that knowledge is shared across the enterprise and having established communities of practice can make doing so smoother and more sustainable.

FIGURE 2

Current AI Governance Approaches



Note: Showing four responses
Base: 310 NA and UK decision-makers at the director level or higher in IT responsible for their organization's digital workplace, employee experience, and/or AI tools or technology strategy
Source: Forrester's Q1 2026 AI For Digital Workplace Technology Survey [E-66449]

- **The outcomes leaders care most about are the hardest to achieve.** Respondents noted their top-used KPIs for measuring the impact of AI for digital workplaces were improved productivity (76%), AI product utilization by employees (64%), and employee satisfaction with AI capabilities (60%) (see Figure 3). Once again, dollars saved and indirect revenue were the lowest-tracked KPIs, correlating with increased revenue's low priority for digital workplace AI. Instead, respondents were focused on the employees — their utilization and experience, and how AI can boost their productivity. However, these same three KPIs were also respondents' most difficult to achieve and were the ones that needed the most improvement to consider their AI initiatives a success.

FIGURE 3

Top Tracked KPIs Also Need The Most Improvement

Note: Showing top three responses
Base: 310 NA and UK decision-makers at the director level or higher in IT responsible for their organization's digital workplace, employee experience, and/or AI tools or technology strategy
Source: Forrester's Q1 2026 AI For Digital Workplace Technology Survey [E-66449]

Fragmented Data, Missing Context, And Governance Gaps Limit AI Effectiveness

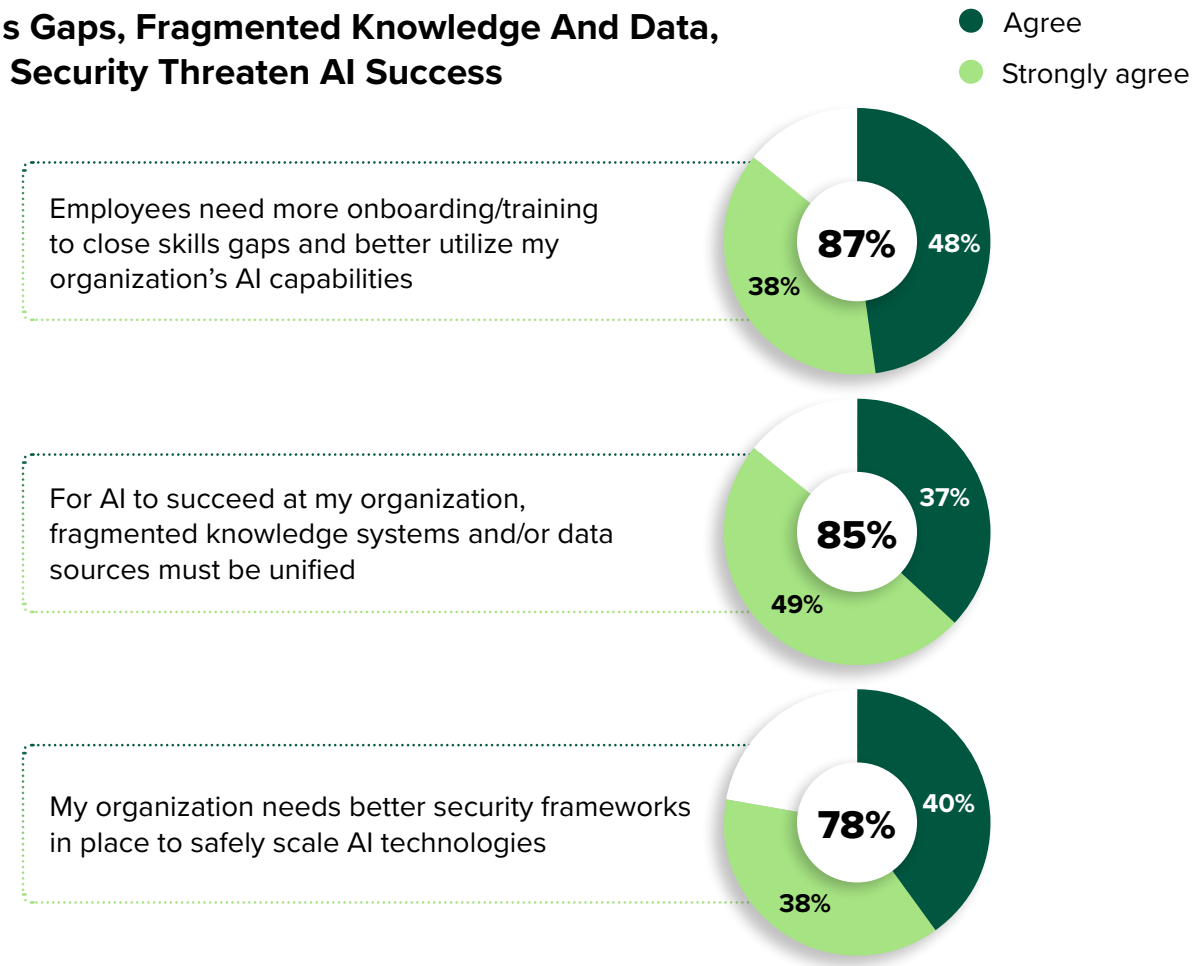
IT leaders have an opportunity to combine advances in the digital workplace with advances in AI to create a comprehensive platform that enhances EX and the business at large. However, they must first overcome the architectural limits around data and knowledge organization, governance, and security while determining the best ways to measure initiative success and upskilling employees. Specific challenges our survey uncovered include:

- **Missing organizational context makes AI initiatives fall short.** Eighty-five percent of surveyed IT leaders noted that fragmented data sources and knowledge systems must be unified for AI to succeed at their organizations (see Figure 4). Unified context built on resolving heterogeneous data ecosystems is nonnegotiable for successful deployment of genAI and agentic AI. Existing tech stacks may not be able to stay on top of this key issue, though: 83% of respondents noted that continuously unifying data as more AI applications are built on top of existing tech stacks will become increasingly difficult. These issues carry over once models are deployed — 45% noted that missing organizational context is the main reason that AI doesn't produce the expected results. It isn't the models that are failing; it's the lack of knowledge and data needed to create the necessary context to answer prompts correctly, recognize friction, and align insights. Forrester agrees, noting that AI models are more reliable and useful when grounded in organizational context.[6]

Nearly half of decision-makers reported that **missing organizational context** is responsible for unexpected results produced by AI.

FIGURE 4

Skills Gaps, Fragmented Knowledge And Data, And Security Threaten AI Success



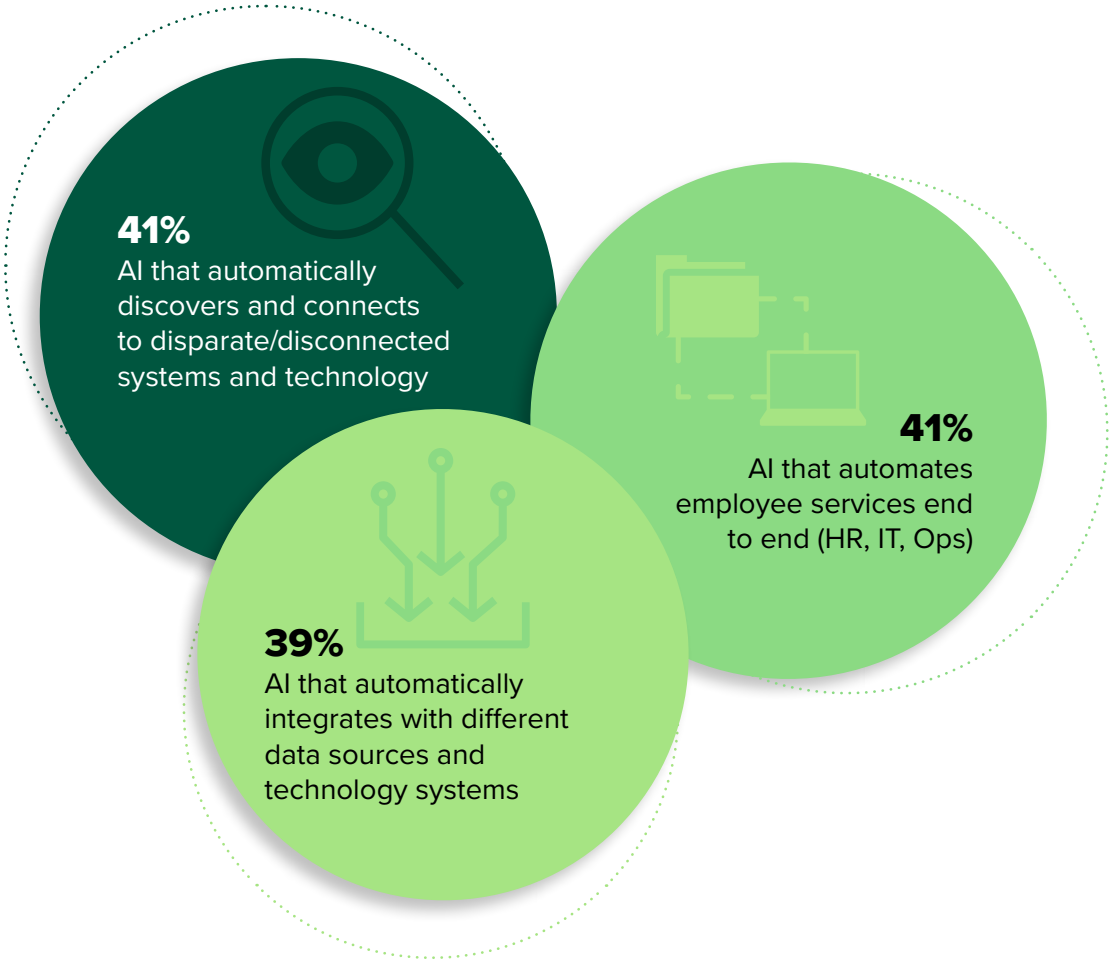
Note: Showing top three responses; individual percentage values may not sum to totals due to rounding.
Base: 310 NA and UK decision-makers at the director level or higher in IT responsible for their organization's digital workplace, employee experience, and/or AI tools or technology strategy
Source: Forrester's Q1 2026 AI For Digital Workplace Technology Survey [E-66449]

- **Top-desired AI capabilities can exacerbate current governance and identity challenges.** Over three-quarters of respondents (78%) agreed that their organizations need better security frameworks to scale AI safely. When asked about the challenges their organizations are currently facing, nearly half (49%) identified AI security and access control risks as one of their top concerns, making it the most shared challenge among respondents. Despite their excitement about the potential of cross-system AI agents to transform their organizations, they are also aware that their current governance and access management practices must be more mature for these deployments to work safely. When considering the

future of AI deployments for the digital workplace, 41% of respondents expressed concerns around AI that automatically discovers and connects to fragmented systems and AI that automates employee services end to end (see Figure 5). For these capabilities to work, mature governance, access controls, and identity management practices must be established around agentic behaviors (e.g., should the agent always leverage its user's credentials, or should it have its own built-in credentials?).

FIGURE 5

Access Control Challenges Reflect Most Concerning Digital Workplace AI Capabilities



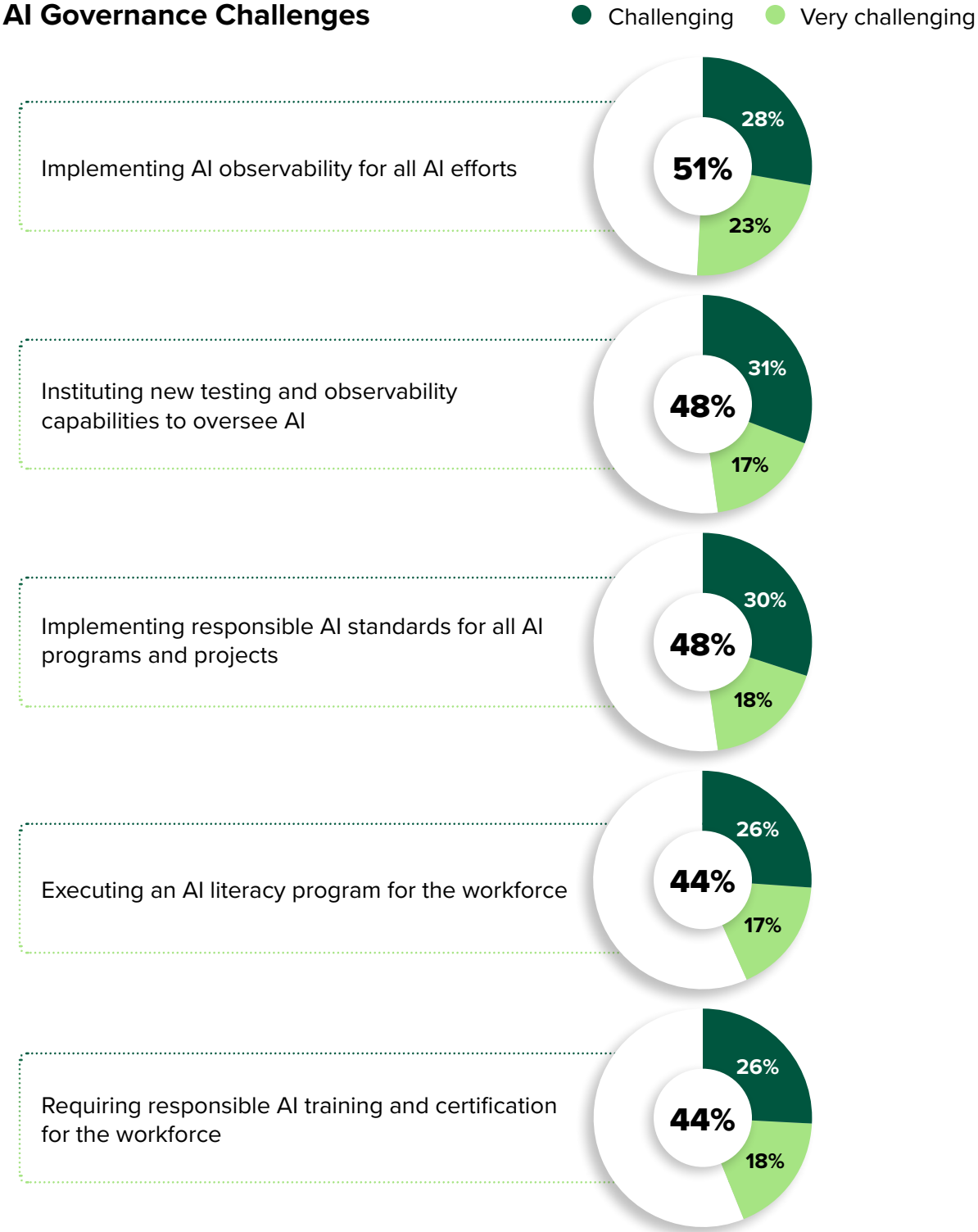
Note: Showing top three responses
Base: 310 NA and UK decision-makers at the director level or higher in IT responsible for their organization's digital workplace, employee experience, and/or AI tools or technology strategy
Source: Forrester's Q1 2026 AI For Digital Workplace Technology Survey [E-66449]

- **Known AI literacy gaps are not being addressed.** One of the top barriers to successful AI initiatives among the decision-makers surveyed was upskilling, with 87% agreeing that employees need more training to better utilize AI capabilities. AI depends as much on people as it does technology. Yet a recent Forrester Future Of Work Survey showed that more than half of employees have limited understanding, confidence, and ethical awareness around AI.[7] Progress will slow without addressing this shortcoming through better training, role definition, and responsible experimentation and practice.[8] Communities of practice enable teams to quickly share practices and capabilities, subsequently improving AI literacy and knowledge sharing.[9] However, just 29% of IT leaders indicated their organization has enabled AI communities of practice — a crucial step in the upskilling and experimentation process. Without learning mechanisms like communities of practice in place, organizations will continue to struggle with these knowledge gaps, initiatives may stall, and subsequent benefits will take longer to realize.

- **Governance and observability challenges expose strategy limitations.** Comprehensive governance programs set guardrails that enable enterprises to scale data and AI safely.[10] Despite establishing some governance approaches, 51% of respondents said they are still having difficulty implementing AI observability for all efforts and 48% are struggling with instituting new testing and observability capabilities to oversee AI and implementing responsible AI standards (see Figure 6). Additional challenges also emerged around executing an AI literacy program for the workforce (44%) and requiring responsible AI training and certification for the workforce (44%), highlighting that organizations are struggling with both trust in AI systems and the people that use them.

FIGURE 6

Top AI Governance Challenges



Note: Showing five responses; individual percentage values may not sum to totals due to rounding.
Base: 310 NA and UK decision-makers at the director level or higher in IT responsible for their organization's digital workplace, employee experience, and/or AI tools or technology strategy
Source: Forrester's Q1 2026 AI For Digital Workplace Technology Survey [E-66449]

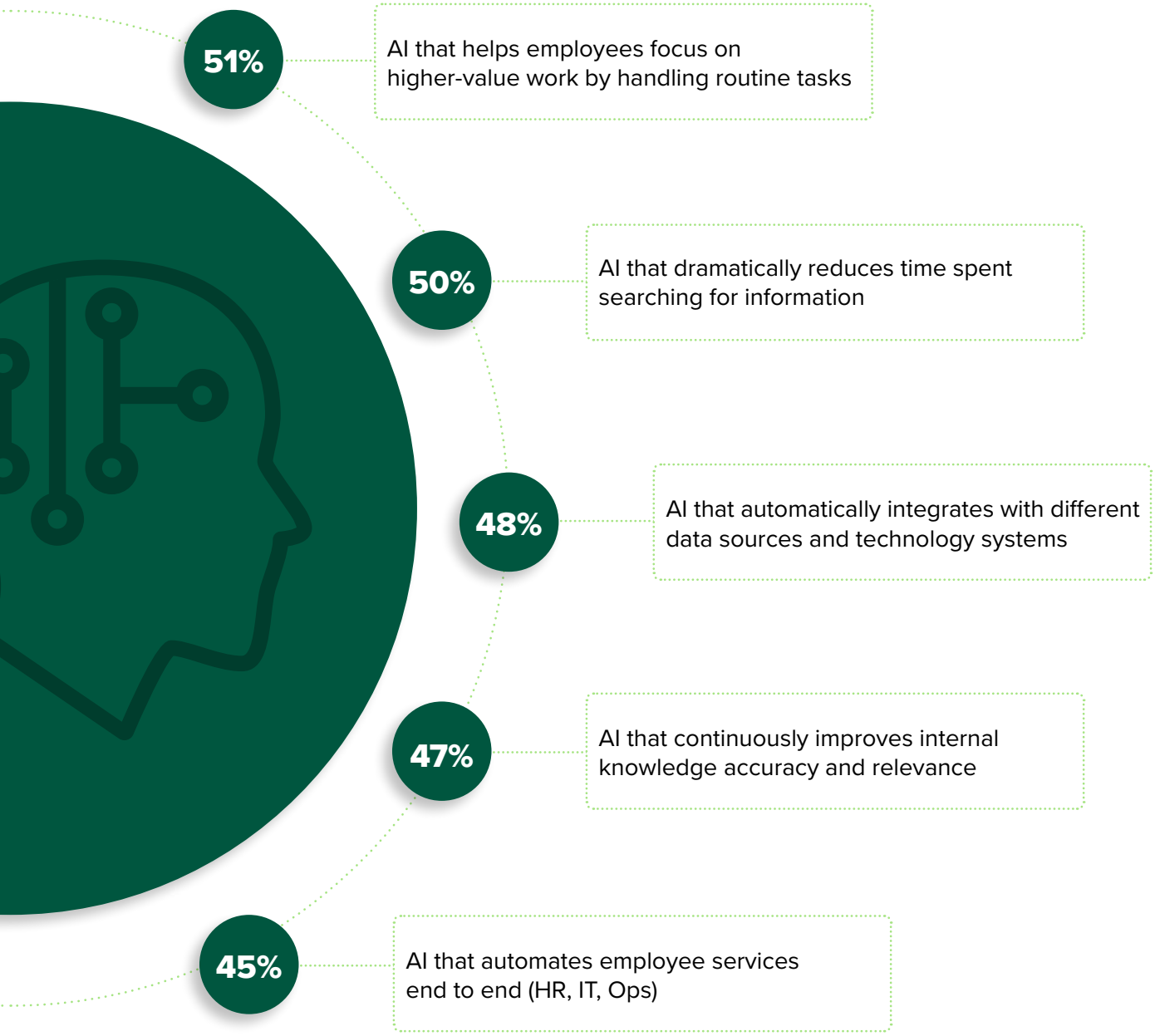
Leaders Turn To Unified Digital Workplace Platforms To Scale AI

Despite architectural and governance challenges, respondents noted they expect their AI deployments to continue growing over the next one to two years. Three-quarters expected to see deployments increase by up to 20% with another 20% expecting increases of over 20%. Instead of viewing AI primarily as a technology and data exercise, decision-makers understand how to best connect it to employee users whose experience with the technology is a principal determinant of its success or failure.[11] They are focused on capabilities that help employees do better work and think adopting an AI-powered digital workplace platform is the way to do it. In doing so, they will reap benefits that align with their organizations' KPIs and desired investment outcomes. Here's how respondents are thinking about the future of AI and the digital workplace at their organizations:

- **Digital workplace AI can remove the drudgery of mundane tasks and unnecessary communication loops.** The surveyed IT leaders said they are excited to realize the potential of their organizations' AI-enabled digital workplaces, especially as it pertains to EX. Over half (51%) believed that AI that helps employees focus on higher-value work will have the most positive impact on EX at their organization (see Figure 7). Half of respondents felt that AI that dramatically reduces time spent searching for information will also improve EX. While respondents were concerned about access control and security when integrating data sources and systems, they still believed that cross-system self-service, integration, and automation could enhance EX when implemented effectively. When done right, automating or entirely removing unnecessary searching or communication loops could smooth processes and enable employees to pivot to higher-value work.

FIGURE 7

AI Capabilities With The Most Positive Impact Potential For EX



Note: Showing top five responses
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Source: Forrester's Q1 2026 AI For Digital Workplace Technology Survey [E-66449]

- **Unified, AI-powered digital workplace platforms can address fragmentation to better scale AI.** Digital workplace technologies directly impact how well enterprises support employee productivity, engagement, and business agility.[12] Selecting the right platform is crucial to achieving these goals while improving employee satisfaction. As their organizations continue to scale their AI deployments, the majority of respondents said they are looking to AI-powered platforms that bring together people, knowledge, applications, and automated workflows into a guided digital workspace to unify data, address fragmentation, and scale AI across their organizations. Three-quarters of respondents expressed interest in adopting an AI-powered digital workplace platform while nearly one-quarter said their organization had already adopted one. Surveyed leaders understand the transformative potential of uniting the digital workplace with genAI- and agentic AI-powered capabilities to improve employee satisfaction and business outcomes.

75%

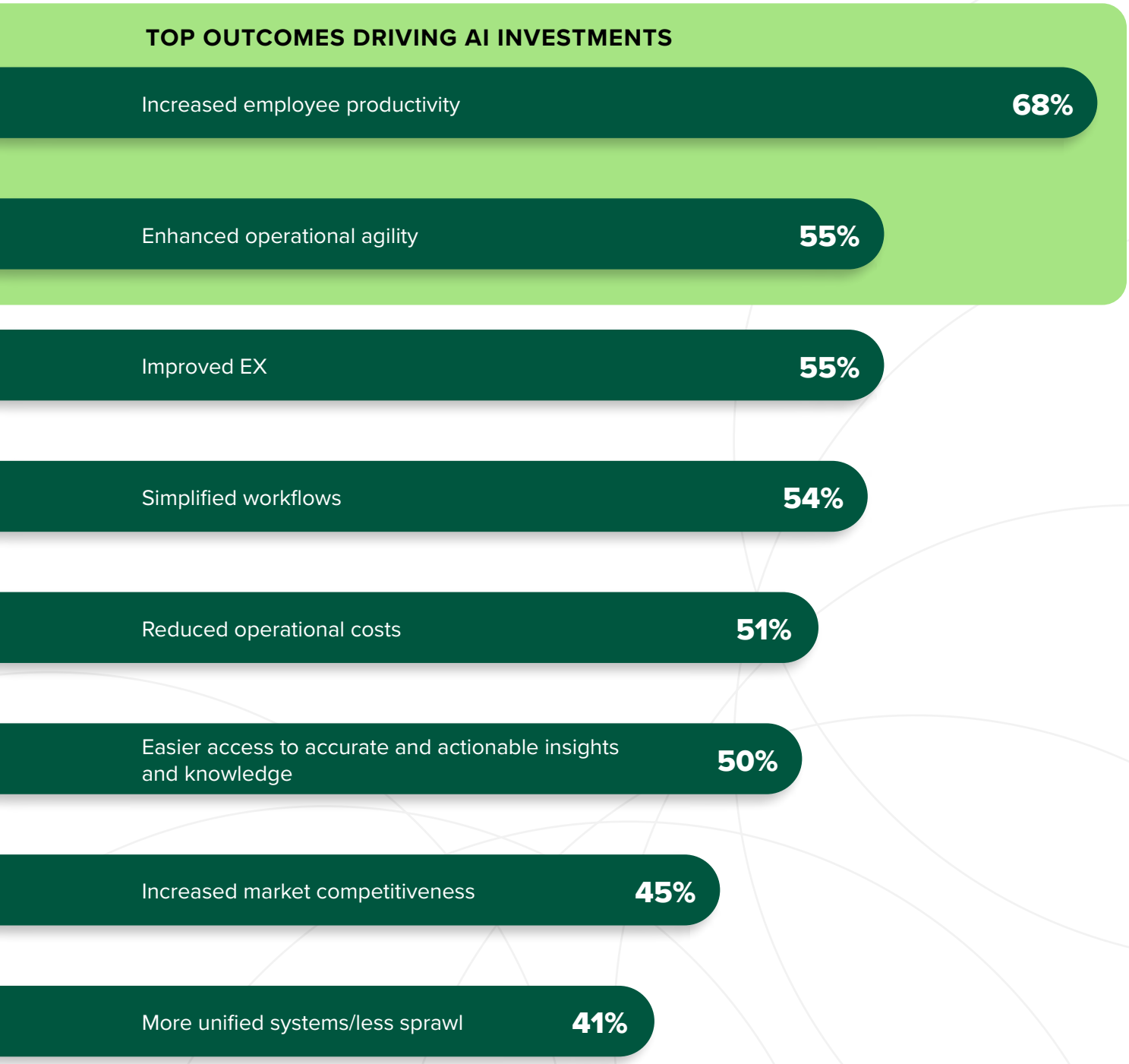
of respondents are interested in an AI-powered digital workplace platform.

- **AI-powered digital workplace platforms can help organizations achieve their top AI goals.** In a serendipitous technological match, unified workplace AI tools will meet or support the goals of many organizations. Respondents' expected benefits included increased employee productivity (68%), enhanced operational agility (55%), and improved EX (55%) (see Figure 8). Improving speed and agility and increasing employee productivity were among respondents' top desired AI technology outcomes. In addition, improved productivity was respondents' top KPI as well as the KPI that they believed needed the most improvement to consider their AI initiatives a success.

Leveraging and scaling the full potential of AI in the digital workplace requires a solid foundation of unified data, shared knowledge systems, clear governance, and a contextual understanding of work. When these foundations are in place, IT leaders and their enterprises will see benefits that justify their investments, improving EX and driving organizational success.

FIGURE 8

Top Benefits Of A Centralized, AI-Powered Digital Workplace Platform



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Source: Forrester's Q1 2026 AI For Digital Workplace Technology Survey [E-66449]

Key Recommendations

Forrester's in-depth survey of 310 IT decision-makers for digital workplace, EX, and/or AI initiatives surfaced several actions organizations should take to successfully scale AI in the digital workplace:

Unify data and knowledge foundations. AI depends on consistent organizational context. Organizations should prioritize unifying trusted knowledge, identity signals, and governance controls so AI can reliably interpret information and workflows.

Evaluate unified digital workplace platforms. Many organizations are exploring AI-powered digital workplace platforms to address fragmented knowledge and disconnected workflows. These platforms unify people, knowledge, applications, and automation, giving AI the context it needs to operate effectively at scale.

Build composable, multi-ecosystem agent architectures. Organizations want AI to automate tasks across systems. Composable architectures allow agents to operate across ecosystems and interact with systems of record and systems of action without creating additional fragmentation.

Make governance and observability foundational. Security, access control, and identity management grow more complex as AI connects systems and acts on behalf of employees. Governance frameworks and observability should define how agents authenticate, access data, and operate across systems.

Invest in AI workforce readiness. AI adoption depends on employees' ability to use the technology effectively. Expanding AI literacy through training, experimentation programs, and communities of practice helps employees apply AI more confidently in their daily work.

Develop better ways to measure AI's workplace impact. Organizations prioritize productivity and employee experience outcomes, but these remain difficult to quantify. Combining workflow analytics, usage data, and employee feedback can help organizations better understand how AI improves work.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 310 cross-industry IT decision-makers at organizations in North America and the United Kingdom to evaluate the potential of genAI and agentic AI to enhance digital workplace and EX technology/tools. Survey participants included decision-makers responsible for their organization's digital workplace/EX, and/or AI tools and technology investments and/or selection. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began in January 2026 and was completed in February 2026.

Appendix B: Demographics

REGION	
North America	**66%**
United Kingdom	**34%**

SENIORITY	
C-level executive	**38%**
Vice president	**18%**
Director	**43%**

LEVEL OF RESPONSIBILITY FOR AI TECHNOLOGY INVESTMENT AND/OR SELECTION	
Final decision-maker	**69%**
Part of a team making decisions	**29%**
Influence decisions	**2%**

COMPANY SIZE	
10,000 to 19,999 employees	**9%**
5,000 to 9,999 employees	**29%**
2,500 to 4,999 employees	**34%**
1,500 to 2,499 employees	**17%**

LEVEL OF RESPONSIBILITY FOR DIGITAL WORKPLACE/EX TECHNOLOGY AND/OR SELECTION	
Final decision-maker	**62%**
Part of a team making decisions	**33%**
Influence decisions	**5%**

Note: Percentages may not total 100 due to rounding.

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

AI Adoption And Data Enablement Requires Communities Of Practice And Centers Of Excellence, Forrester Research, Inc., October 29, 2024.

The CIO's Guide To AI Readiness, Forrester Research, Inc., January 23, 2026.

The Forrester Data And AI Governance Model, Forrester Research Inc., July 17, 2025.

The State Of Digital Workplace Services, 2025, Forrester Research, Inc., May 15, 2025.

The Tech Leader's Guide To Digital Workplace Technologies, Forrester Research, Inc., October 6, 2025.

ADDITIONAL RESOURCES

Olivia Berdak, Strategic AI Readiness: How To Move From Hype To Scalable Impact, Forrester Blogs.

Appendix D: Endnotes

[1] Source: The State Of Digital Workplace Services, 2025, Forrester Research, Inc., May 15, 2025.

[2] Source: How Employee Experience Drives Customer Loyalty, Forrester Research, Inc., April 8, 2024.

[3] Source: The State Of Digital Workplace Services, 2025, Forrester Research, Inc., May 15, 2025.

[4] Source: The CIO's Guide To AI Readiness, Forrester Research, Inc., January 23, 2026.

[5] Ibid.

[6] Source: For Deep Listening For EX, You Need A Viable AI Technology Stack, Forrester Research, Inc., December 2, 2025.

[7] Source: Olivia Berdak, Strategic AI Readiness: How To Move From Hype To Scalable Impact, Forrester Blogs.

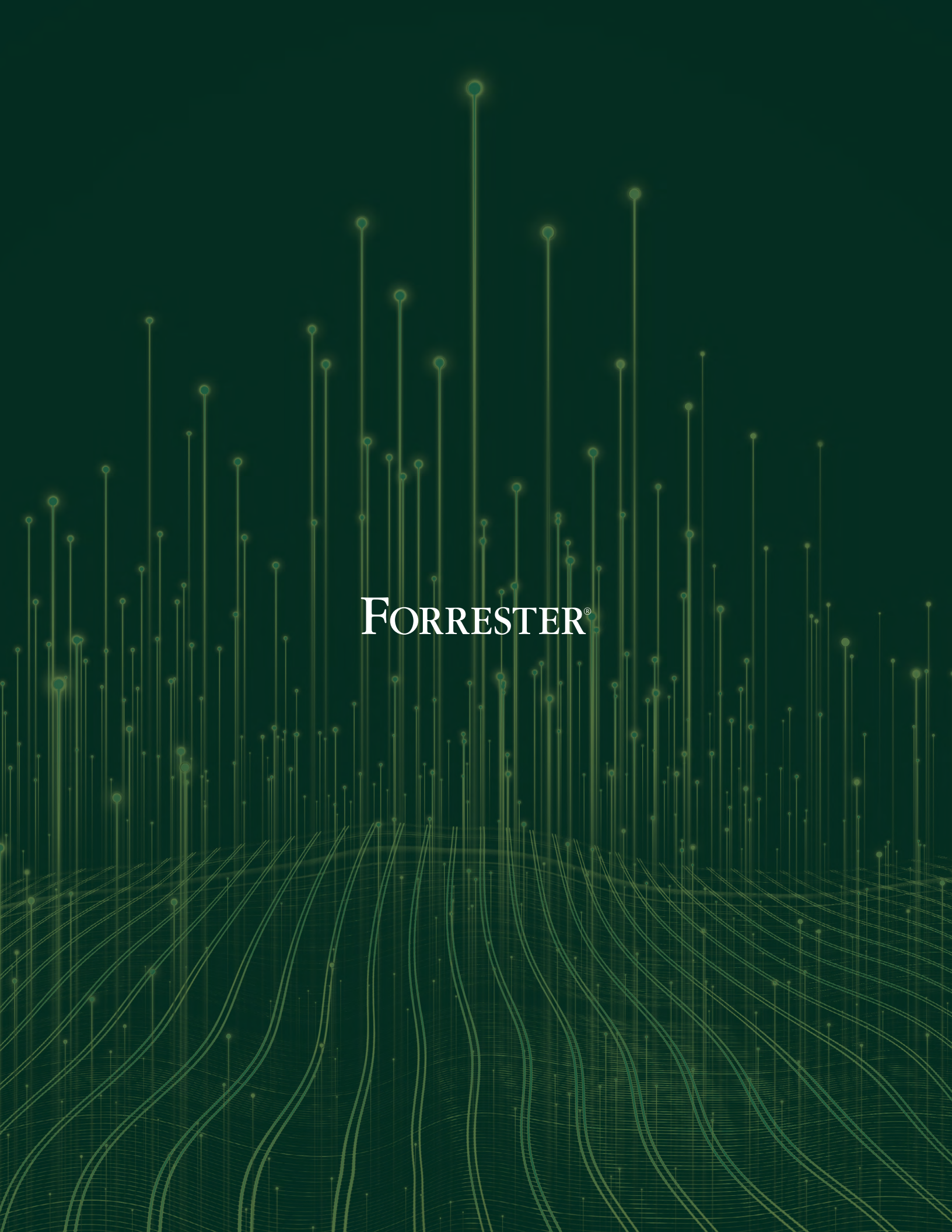
[8] Ibid.

[9] Source: AI Adoption And Data Enablement Requires Communities Of Practice And Centers Of Excellence, Forrester Research, Inc., October 29, 2024.

[10] Source: The Forrester Data And AI Governance Model, Forrester Research Inc., July 17, 2025.

[11] Source: Ground Your Workforce AI Strategy In Human Experience, Forrester Research, Inc., March 6, 2025.

[12] Source: The Tech Leader's Guide To Digital Workplace Technologies, Forrester Research, Inc., October 6, 2025.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