

\$166 Billion

And we still can't prove skill acquisition.

The Investment Paradox in Learning & Development

Executive Summary

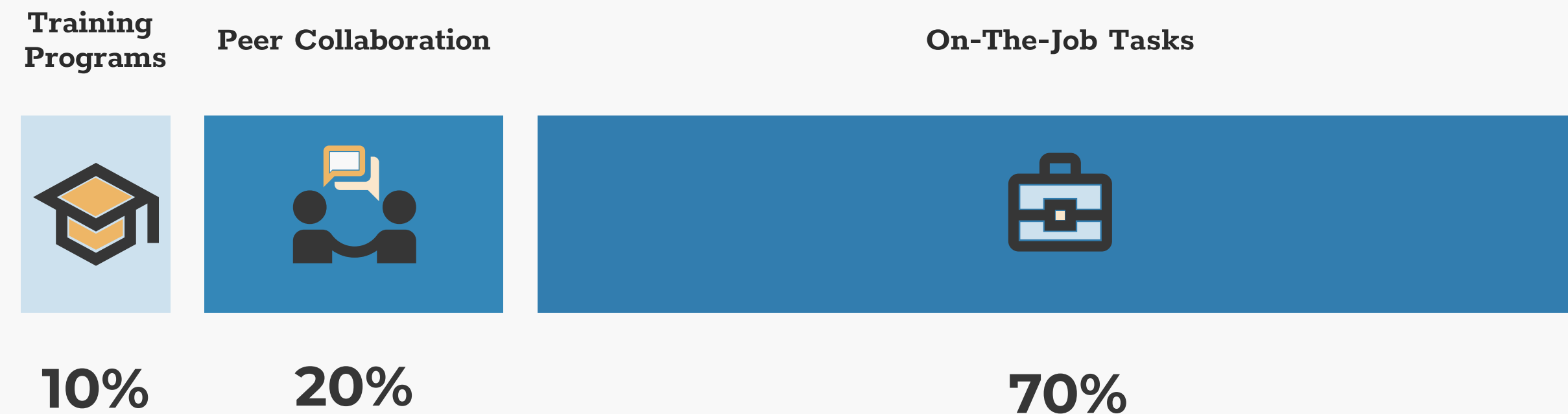
The Investment Paradox:

Organizations invest millions in onboarding and development programs, yet the methods used to measure skill acquisition remain fundamentally flawed. Most measurement systems capture only participation and completion within formal programs, overlooking the reality that up to 90% of learning occurs informally—through peer collaboration and on-the-job experience where skill validation is not happening. As a result, critical promotion and hiring decisions worth hundreds of thousands of dollars are then made based on sunk cost fallacies, rather than verifiable data-backed skills.

\$166 Billion

total annual investment
in training programs

Measuring what Matters - 70:20:10 model



The Kirkpatrick Model & the Measurement Cliff

Less than 10%
of organizations can
connect training KPIs to
business outcomes



The Solution: Peer Learning

Structured peer feedback turns everyday work into measurable evidence of skill acquisition. By embedding criteria-based evaluation into peer collaboration and real job outputs, organizations capture data from the 90% of learning that happens outside formal programs. Instead of relying on course completion or satisfaction surveys, leaders gain continuous, quantitative insight into demonstrated capability over time. The result is a defensible, data-backed view of readiness that directly informs promotion, hiring, and investment decisions.

Onboarding / Early Career Programs

Target: New Hires & Rotational Associates

These cohort-based programs combine classroom training, rotational assignments, and mentorship opportunities to accelerate time-to-productivity.

~\$3,000 – \$7,000+ per participant

The Cost of Failure:

Replacement costs can reach 3–4x salary when recruiting, onboarding, and lost productivity are included (Society for Human Resources).

High Potential (HiPo) Programs

Target: High-Performing ICs & New Managers

These 3–9 month programs focus on the transition from "doing" to "leading," often utilizing collaborative projects, 360-degree feedback, and senior leadership mentoring.

~\$5,000 – \$15,000 per participant

The Cost of Failure:

Nearly 60% of new managers underperform in their first two years due to poor preparation (DDI). **Managers drive 70% of employee engagement**, meaning ineffective leadership is a direct hit to retention and performance (Gallup)

Sales Development

Target: New Sales Reps (BDRs/AEs)

These programs focus on methodology adoption and product knowledge to move new reps from "onboarded" to "quota-ready" as quickly as possible.

~\$5,000 – \$10,000+ per participant

The Cost of Failure:

Replacing sales roles costs **1.5–2x compensation**, making early attrition a direct hit to revenue and pipeline (The Bridge Group).

Functional Upskilling & Digital Transformation

Target: Technical Contributors

These enterprise-wide programs focus on "Future-Proofing" the workforce, teaching skills like Data Analytics, Gen AI Prompting, and Low-Code Solutioning to cohorts of 500+ employees.

~\$1,500 – \$5,000 per participant

The Cost of Failure:

40% of workers will need reskilling within three years due to AI (IBM). Investing in AI without validating capability risks stalled adoption, underutilized technology, and slower performance gains than competitors

Despite spending \$15K-\$25K per participant on development, organizations make promotion decisions based on satisfaction scores and manager intuition rather than validated competency data.

- **Manager Time Constraints:**

Observing and evaluating behavior change requires time most managers don't have.

- **Subjectivity:**

Behavioral evaluation is inconsistent across raters and prone to bias.

- **Lag Time:**

360 reviews happen too infrequently to support timely, data-driven decisions.

- **Cost:**

Comprehensive behavioral assessments cost \$5K-\$15K per participant, limiting scalability.

Level 4 - Results

Did training impact business outcomes?

Measured by retention, productivity, revenue

Current Adoption: 7-10%

Level 3 - Behavior

Are they applying skills on the job?

Measured by manager observation, 360 reviews, performance data.

Current Adoption: 18-20%

Level 2 - Learning

Do they remember anything they learned?

Measured by tests, quizzes, knowledge assessments.

Current Adoption: 60-70%

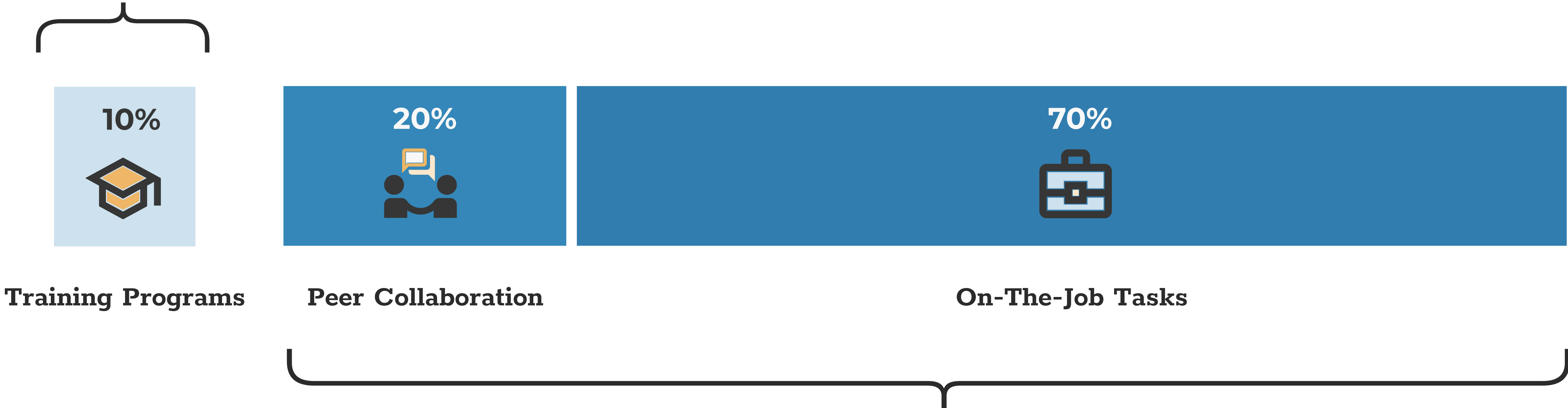
Level 1 - Reaction

Did participants enjoy the program?

Measured by post- program satisfaction surveys

Current Adoption: 90-94%

Organizations spend **90% of their L&D budget on the 10%** formal training, while the real development—and therefore the real measurement opportunity—lies in peer collaboration and on-the-job performance.



If employees develop primarily through doing real work and learning from peers, why aren't organizations measuring their actual work outputs with peer validation?

This is where peer assessment becomes a strategic bridge between how employees actually develop and how organizations can validate that development.

Level 1: Reaction

Participants value receiving concrete feedback on real work. Satisfaction remains high while measuring substance.

Level 2: Learning

Evaluating peers' work reinforces learning. Both reviewers and reviewed strengthen competency.

Level 3: Behavior

See behavior change in real time. **"Tell me what you learned" becomes "show me you can do it."**

Level 4: Results

Quantitative reviews can be aggregated to prove skill acquisition over time, this data can then be directly connected to business outcomes

Speed

Identify promotion-ready talent 6+ months faster than traditional observation methods

Scale

Provide in-depth feedback for individuals, teams, or cohorts without a proportional increase in manager time investment

ROI Proof

Leverage measurable data to justify L&D investment to the CFO

Confidence

Make promotion decisions backed by validated competency data, not manager intuition

Optimization

Know which program elements drive competency development and continuously improve

The ROI of Peer Learning

Financial Returns

75:1

ROI vs E-Learning

Compared to traditional
online training
(ATD research)

20%

Productivity Boost

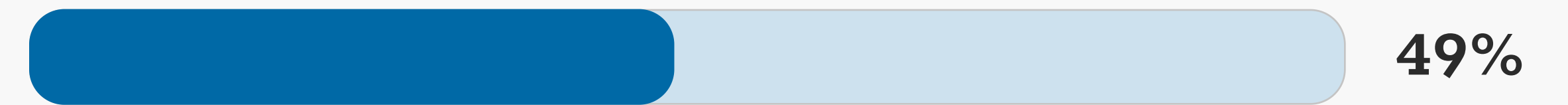
From improved
knowledge sharing
(McKinsey)

\$31B

Total Annual Savings

For Fortune 500 companies
(ATD research)

Retention and Performance



Turnover Reduction

(ATD research)



Performance Improvement


(McKinsey)



Completion Rate


(ATD research)

With Peerceptiv, learners complete a 3 step, structured review process:



Upload

Participants submit work from a training program or their day-to-day role



Feedback

Peers deliver structured feedback, aligned to targeted skills and competencies

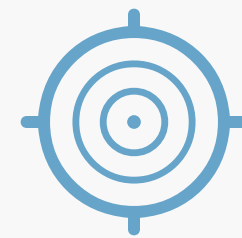


Insights

Organizations gain measurable data on skill development, behavior change, and growth over time.



Evaluates Real Work



Targets Key Skills



Provides Immediate Feedback



Scales Without Bottlenecks

A Fortune 100 company with 45,000+ employees across 900+ global locations uses peer assessment to reinforce and measure technical learning.

Software engineers and architects complete training on new data protocols and system rollouts, then review peers' planning documents, architecture designs, code files, email drafts, and presentation videos.

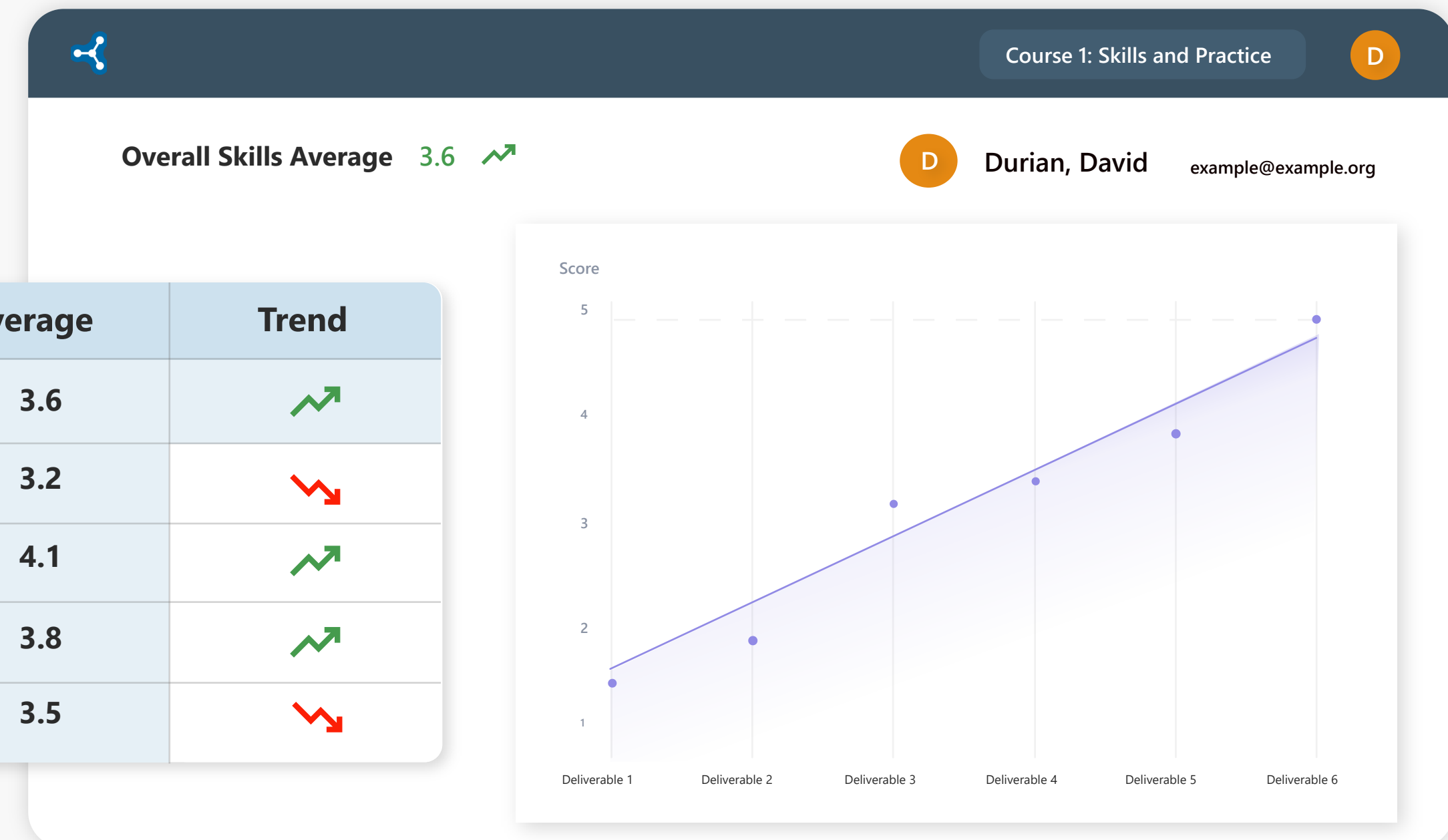
Peer review both reinforces learning and measures skill progression on complex, real-world tasks.

The program has expanded beyond formal training into daily work—enabling continuous learning, identifying skill gaps, improving training effectiveness, and demonstrating measurable ROI while reducing pull-out time.

"Seeing how my peers approached the same problem showed me what 'good' actually looks like. That was more valuable than any training session."

*-Fortune 100 Insurance Company
Early Career Participant*

Skill Name	Average	Trend
Overall	3.6	↗
Business Strategy	3.2	↘
Prompt Engineering	4.1	↗
Stakeholder Management	3.8	↗
Use of AI	3.5	↘



Book a free consultation with a Peerceptiv Peer Learning Expert to explore how peer-driven assessment reinforces training, measures real skill growth, and generates defensible ROI data for your organization.