EDUCATIONAL DRAMA IN INVESTMENTS MANAGEMENT

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Abstract

Changing foci in the field of investments along with the increasing use of concentrated teaching formats present new challenges for educators seeking to enhance student learning. This paper looks at a promising new pedagogical approach – educational drama – for the teaching of investments and reports on students’ perceptions of its effectiveness.
EDUCATIONAL DRAMA IN INVESTMENTS MANAGEMENT

Introduction

Investments as a field of study is evolving beyond its sole reliance on capital market theory to include the more human aspects of decision making. Much of this movement is due to the increasing importance of behavioural finance in explaining investment behaviour. Indeed, the re-emergence of a more holistic view of investor behaviour is being trumpeted by many within the academy. Statman’s (2005) declaration that “investors were normal before they were described as rational in the early 1960s, and they remain normal today” falls from his widely shared view that normal investors are affected by cognitive biases and emotions, not just the risk and return of their portfolios.

As educators, we have to ask a number of questions: How can we best teach these new wider parameters of investment theory? How do we evoke the emotions that characterise normal investor behaviour? How do we get our students to extend their learning of investments through feeling the intensity of the issues? Additionally, many MBA students are increasingly being taught using concentrated EMBA format classes that can extend to four hour sessions or even concentrated, 20 hour weekend sessions. Are there new teaching techniques that can improve student enjoyment of learning over these extended periods?

A new field of pedagogy, educational drama may provide a path forward. Educational drama has been successfully employed to explore, shape and symbolically represent human experience. Educational drama refers to the process of learning through or from drama as distinct from learning about drama. Drama, as described by Neelands (1998, p.4) is, ‘the direct experience that is shared when people imagine and behave as if they were other than themselves in some other place at another time’. The notion of drama as a learning medium has been used successfully across a variety of cultures, fields and applications, including Kenyan village community health (Nyangore, 2000), marketing education (Pearce, 2004) and police training (O’Toole, 2000). However, to the authors’ knowledge, educational drama conventions have not been used before in the teaching of finance.

This paper explores whether educational drama can be successfully used in the teaching of investments management. In particular, we report MBA student ratings of educational drama relative to more conventional teaching approaches across a range of teaching effectiveness indicators and their views on whether MBA learning of investment management can be enhanced by using educational drama techniques in the classroom.

Literature Review

There is a substantial literature on the use of drama as a learning medium (see Bolton 1984; Heathcote, 1977; O’Neil, 1995; Neelands, 1998). Central beliefs of the international drama-in-education community are that drama is a vitally important art that can be used to teach virtually anything and teach across curricula. In this section, we discuss the nature of educational drama,
how student learning is enhanced through the use of drama conventions in the classrooms, various drama conventions commonly used, and educational drama used in the teaching of management.

The term "educational drama" is often regarded as being synonymous with "creative drama". Creative drama has been defined as: (1) “the play that is developed by a group, as opposed to the one that abides by a written script” (McCaslin, 1996, p.8); and (2) “an improvisational, non-exhibitional, process-centred form of drama in which participants are guided by a leader to imagine, enact and reflect upon human experiences” (Davis and Behm, 1978, cited in Woodson, 1999, p.203). According to British drama authority Dorothy Heathcote (1977) educational drama is: “anything which involves persons in active role-taking situations in which attitudes, not characters, are the chief concerns” (p.43).

From a theoretical perspective, educational drama conventions seek the encouragement of meaningful learning and construction of knowledge. For the study reported in this paper, an MBA student’s learning about investment management involves understanding investment concepts and applying these concepts in business contexts. As such, it is vital for students to achieve their own meaningful construction of knowledge. By understanding both the structure of a body of information and how to represent relationships between fundamental ideas, each student can achieve a more personally meaningful construction of relevant knowledge. Discovery approaches to learning through methods such as drama, as opposed to ‘reception learning’ (Ausubel, 1978) - learning through exposition - are advocated so that students discover what they need to know (Bruner, 1966, 1972). Such discovery by students themselves reinforces the meaning and relevance of ideas that are identified as fundamental for their learning about investment management.

Compared to other more conventional educational approaches, experience-based learning (Kolb, 1984), such as educational drama is characterised by: (1) involvement of the whole person - feelings, senses and the intellect; (2) recognition and use of a learner’s life experiences in order to create personal meaning and relevance of new learning; and (3) continued reflection on prior experiences so as to build and transform deeper understanding (Andresen, Boud and Cohen, 2000, Dewey 1963). Other unique advantages of educational drama include physical activity, which is associated with the embodiment of learning, otherwise known as learning through bodily movement (Beaver, 1999; Boal, 1979; Wright, 1998), the engagement of emotion (Boud, 1996; Brookfield 1990) and the removal of barriers to learning by introducing an element of play into a classroom or learning situation (Leigh and Kinder, 1999).

“Drama conventions” are techniques to facilitate the process-centred nature of educational drama. “Drama conventions” are defined as “indicators of the way in which time, space and presence can interact and be imaginatively shaped to create different kinds of meanings in theatre” (Neelands, 1998, p.4). Various drama conventions have been classified into four main groups (Neelands, 1998, p.6): (1) Context building action – where the focus is either to “set the scene” or add information to the context of the drama as it unfolds. Examples of drama conventions in this group include – ‘Sound tracking’, ‘Defining Space’ and ‘Still-Image’; (2) Narrative action – where the focus is on the “story”, “what-happens-next” and the attitudinal change and analytical critique dimensions of the drama. Examples of such drama conventions include – ‘Meetings’, ‘A
Day in the Life’ and ‘Hot-Seating’; (3) Poetic action – where the focus is on creating the symbolic potential of the drama through highly selective use of language and gesture. Examples of these drama conventions include – ‘Forum Theatre’, ‘Mimed Activity’ and ‘Prepared Roles’; and finally (4) Reflective action – where the focus is on “soliloquy” or “inner thinking” in the drama to allow people to review the drama from within the dramatic context. Examples here include – ‘Reflective Narration’, ‘Thought-Tracking’ and ‘Voices in the Head’.

The educational drama conventions approach is quite different from conventional role-play (Van Ments, 1989) in that it displays the following general features: (1) the drama is process-centred rather than being exhibitional (i.e. students engage in educational drama as a means of learning rather than a way of demonstrating the mastery of certain skills); (2) students are actively engaged in activities such as researching, designing and reporting; (3) the teacher is not a source of answers and does not tell the students what they will learn; (4) all students are involved in improvisational work whereby there are no scripts, and subsequent repeated enactments of the same drama may result in completely different dialogue and dramatic outcomes; (5) role context is given considerable emphasis, which is not always the case in traditional role-play; and (6) students are encouraged to find their own voice, immerse in role and create meaning for themselves.

Contrasting 'role-play' with drama conventions, Neelands (2004, personal communication) states:

The real difference between 'role-play' and the conventions approach is the focus on context. In the conventions approach context is everything! The assumption being that what we say and do is shaped by the situations that we find ourselves in - so in order to understand human behaviour in any situation we must understand how the situation and therefore the utterances and behaviour have been historically, socially and culturally shaped.

Conventional role-play as advocated by Van Ments (1989) usually takes the form of student dyads, practising and rehearsing skills that may have been taught in class (such as closing the sale, negotiating a deal or handling dissatisfied customers). In role-playing, students try to imagine what someone else would say or do and in the process often focus on mannerisms such as appearance, voice and so on, whereas in role-taking they ‘live’ the experience as themselves, in that role, within the drama.

In a rare study conducted into student perceptions of learning through educational drama in a higher education context, Pearce (2004) reports on qualitative research used to evaluate the effectiveness of a drama-based approach to teaching a marketing subject at an Australian university. Interpretive research was conducted using multiple sources of evidence with thirty-two undergraduate students experiencing learning through various types of drama conventions. The perceived advantages of educational drama were identified as: retention; imagination; confidence; freedom; application and activity; independent thinking; role/performance; learning; enjoyment; and social relations. Perceived disadvantages of educational drama were: that drama requires commitment; that drama may not be suitable for all subjects and all situations; and that drama may engender doubt, fear and suspicion in
students. On balance, students considered the perceived advantages of educational drama outweighed any disadvantages associated with it.

Method
To investigate whether educational drama could be successfully used in the teaching of investments management, two educational drama conventions (still image and forum theatre) were used to teach MBA students two investment topics (psychological biases of investing and insider trading). Student perceptions regarding the use of educational drama to enhance their learning of investments were then measured across 18 indicators of teaching effectiveness and student views were canvassed generally. Teaching effectiveness was considered in terms of: (1) understanding theory, (2) application or real world use, (3) class dynamics, (4) learning outcomes, and (5) student engagement. Student perceptions on how they viewed the use of educational drama were considered in order to uncover other issues impacting on student learning using educational drama.

To introduce and warm the students to the educational drama experience, puppetry was used to contextualise drama in investments. Warren Puffet (the famous investor puppet) gave the class a number of investing tips and general words of wisdom. He also most importantly spoke on how – in spite of his great professor Benjamin Graham not using educational drama in his 1950’s investment classroom - he was willing to “keep an open mind” on this new technique. To heighten the engagement, one lucky MBA student enjoyed a photo opportunity with the great Warren Puffet. A general warm-up “driving cars” then eased all students into the dramatic mode through their active participation in the exercise.

“Still-Image”- an educational drama convention whereby small groups of students collectively portray the key teaching objective as a frozen image – was used to engage student learning of various psychological biases in investing. The primary reading used for this topic was “Psychological Biases of Investors” by Baker and Nofsinger (2002) which details a number of cognitive and emotional weaknesses in the areas of how investors think, how investors feel, and social factors affecting financial decisions. Each group drew a particular bias (viz., cognitive dissonance, familiarity bias, mood and optimism, social interaction and investing), developed a caption that described their image, and enacted the bias through a still image. Debriefing or harvesting of the image and what lay behind it was accomplished by “thought tracking”, i.e., asking each group member to describe what they personally were portraying and how it related to the whole concept.

“Forum Theatre” – an educational drama convention whereby the audience (‘spectactors’) takes control of actors performing theatre – was used to explore the concept of insider trading. To provide the basis for the drama a mini-case “Bell Tolls for Citigroup over Insider Trading Claims” was written outlining alleged insider trading by Citigroup in Toll Holdings Limited days before Toll announced a takeover bid for Patrick Corporation. As this trading activity resulted in a 12% rise in the value of Patrick shares, and so potentially cost Toll hundreds of millions of dollars deep emotions within the management teams could be expected at both Toll and Citibank.
The charged atmosphere of the meeting between senior executives of both companies provides the setting for a discussion of issues raised by insider trading.

The students being introduced to educational drama techniques were MBA students at Macquarie Graduate School of Management in Sydney, Australia. Two-thirds of the class were part-time students who currently held professional or managerial positions while the remainder of the class were full-time students from a wide range of countries. Student age ranged from 25 to 45 with most students having in excess of eight years of managerial/professional experience. About half of the students were being sponsored by their employers so as to cover the costs of attending a leading graduate school of management. To gauge teaching effectiveness, these MBA students were asked to indicate on a five point Likert scale their agreement (5 = “strongly agree”) or disagreement (1 = “strongly disagree) to 18 statements about their learning of investments management using educational drama relative to other teaching techniques. Largely, this list was compiled, mutatis mutandis, from indicators used in Brennan and Ahmad’s 2004 study of student perceptions of the case study approach to learning strategic management and marketing. Indicator scores were calculated for each item as well as each of the five teaching effectiveness factors set out above. Student perceptions about educational drama were also elicited using a cartoon bubble prompt “Hey, Don’s wondering whether MBA learning of investment management can be enhanced by using educational drama techniques in the classroom. What are your views?”

Findings
The teaching effectiveness of educational drama scores are presented in Table One. Overall, the scores show a substantial spread in student opinion as to the teaching effectiveness of education drama with most indicators receiving a wide range of scores. To guide the discussion, where the score was less than .25 points from the mid-point (3), student opinion on that factor or indicator was considered as evenly split. Factors and indicators having scores .25 to .50 points more or less than the mid-point were considered to be either positively or negatively (as the case may be) viewed by the students. Scores .50 points more or less than the mid-point indicated stronger positive or negative student views on teaching effectiveness. Teaching effectiveness scores are discussed along the lines of the five factors, namely; understanding theory, application or real world use, class dynamics, learning outcomes, and student engagement. Student views – as captured by the bubble cartoon – are integrated into each of these five discussions so as to provide more insight into why the students scored the items the way they did.
Table 1: Teaching Effectiveness of Educational Drama Scores

<table>
<thead>
<tr>
<th>Factor/Indicator</th>
<th>Mean Score</th>
<th>Standard Deviation</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Factor A: Educational Drama &amp; Understanding Theory</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. ED helps me understand theoretical concepts</td>
<td>3.33</td>
<td>.75</td>
<td>1.75-4.5</td>
</tr>
<tr>
<td>2. ED illuminated my understanding of psychological biases of investing</td>
<td>3.45</td>
<td>.92</td>
<td>1.5-5</td>
</tr>
<tr>
<td>3. ED illuminated my understanding of insider trading</td>
<td>3.32</td>
<td>.9</td>
<td>2-5</td>
</tr>
<tr>
<td>4. ED is helpful in understanding complex problems</td>
<td>3.16</td>
<td>1.11</td>
<td>1-5</td>
</tr>
<tr>
<td><strong>Factor B: Educational Drama &amp; Real World Usefulness/Application</strong></td>
<td>3.04</td>
<td>.69</td>
<td>1.75-4.5</td>
</tr>
<tr>
<td>5. ED illustrates how investment management works in the real world</td>
<td>2.79</td>
<td>.83</td>
<td>1-4</td>
</tr>
<tr>
<td>6. ED helps me understand how investment decisions are made</td>
<td>2.74</td>
<td>.94</td>
<td>1-4</td>
</tr>
<tr>
<td>7. ED helps me develop to develop useful investment skills</td>
<td>2.64</td>
<td>1.1</td>
<td>1-5</td>
</tr>
<tr>
<td>8. ED is a waste of time because I will never be in <em>that</em> position myself (RS)</td>
<td>4.07</td>
<td>.86</td>
<td>2-5</td>
</tr>
<tr>
<td><strong>Factor C: Educational Drama &amp; Class Dynamics</strong></td>
<td>3.80</td>
<td>.65</td>
<td>2-4.75</td>
</tr>
<tr>
<td>9. ED is a useful way to discuss investment issues in the class</td>
<td>3.43</td>
<td>1.03</td>
<td>1-5</td>
</tr>
<tr>
<td>10. Doing ED gives me the confidence to express opinions</td>
<td>3.46</td>
<td>.92</td>
<td>1-5</td>
</tr>
<tr>
<td>11. ED made the class more interesting</td>
<td>4.04</td>
<td>.92</td>
<td>2-5</td>
</tr>
<tr>
<td>12. I don’t like contributing to ED in class because my comments may not be ‘right’ (RS)</td>
<td>4.29</td>
<td>.81</td>
<td>3-5</td>
</tr>
<tr>
<td><strong>Factor D: Educational Drama &amp; Learning Outcomes</strong></td>
<td>3.03</td>
<td>.76</td>
<td>1.25-4.75</td>
</tr>
<tr>
<td>13. ED usually produces clear cut answers</td>
<td>2.39</td>
<td>1.07</td>
<td>1-5</td>
</tr>
<tr>
<td>14. Doing ED has helped me develop my analytical skills in investments</td>
<td>2.64</td>
<td>1.13</td>
<td>1-5</td>
</tr>
<tr>
<td>15. Doing ED has helped me develop my team-working skills</td>
<td>3.39</td>
<td>.88</td>
<td>2-5</td>
</tr>
<tr>
<td>16. I learn something new during ED sessions</td>
<td>3.68</td>
<td>1.02</td>
<td>1-5</td>
</tr>
<tr>
<td><strong>Factor E: Educational Drama &amp; Student Engagement</strong></td>
<td>3.05</td>
<td>.83</td>
<td>1.5-4.5</td>
</tr>
<tr>
<td>17. ED invoked my emotions</td>
<td>3.21</td>
<td>.88</td>
<td>2-5</td>
</tr>
<tr>
<td>18. ED makes investments more personally relevant</td>
<td>2.89</td>
<td>1.07</td>
<td>1-4</td>
</tr>
</tbody>
</table>

N = 28; RS = reverse scored
Educational drama was viewed as being strongly, positively related to understanding theory. This view held both generally in terms of understanding theoretical concepts and specifically for the two topics taught (psychological biases of investing and insider trading). However, students were mostly split on whether educational drama was helpful in understanding complex problems. Positive comments noted educational drama’s “physically participative nature which some people may find easier to recall than purely theoretical discussions in a lecture or case oriented program delivery,” “strength... in the visualisation of psychological biases (which enables recall) more strongly than through readings,” “adds another dimension to learning (by using) the right side of the brain which enhances the use of the left side,” and “makes complex issues memorable.” On the other hand, some students commented that while educational drama “was an interesting exercise (it) didn’t necessarily add to the learning of investments management more than other teaching techniques” and that while “educational drama could help to start the understanding of a concept but only as a complement of a class discussion.”

The students were evenly split on whether educational drama has more real world application than other teaching techniques. They tended to disagree that educational drama helped them understand how investment decisions were made or that it helped them develop useful investment skills. On the positive side, they strongly disagreed with the notion that educational drama was a waste of time because they would never be faced with those kinds of investment management issues themselves. A positive comment about educational drama was that “it could relate to more real-life experiences (that) would/may give participants a better ‘feel’ of the ‘real world’.”

Class dynamics were substantially improved by using educational drama. The students felt that educational drama is a useful way to discuss investment issues and that educational drama gave them the confidence to express their opinions. They strongly felt that educational drama made the class more interesting and felt comfortable contributing to educational drama. Specific student comments as “nice deviation from normal teaching,” “similar to case study but more fun”, and “definitely makes class interesting” tend to capture the theme that educational drama lifts student enjoyment when learning investments. However, to enhance learning “all parties (needed to) participate and understand the value of educational drama” and “contributions from all need to be coerced.” In this latter case, the student noted “I am naturally confronted by drama but with appropriate coaxing, I enjoyed it and learned from it.”

The students were evenly split on whether educational drama led to better learning outcomes. They strongly disagreed that educational drama produced clear cut answers and didn’t view the technique as improving their analytical skills in investments. On the other hand, they did feel that educational drama helped them develop their team-working skills and, especially, that they learnt something new during the educational drama sessions. To accomplish the learning outcomes, students noted that “it was essential to read the article before coming to class (or) else I wouldn’t be able to participate” and that a “more detailed brief or better informed participants might have enhanced the learning content.”

The students were also evenly split on whether educational drama led to more student engagement. In this regard, some students noted that educational drama “added value as it allowed (the) presentation of emotion (rather than) the cold calculated analytics of interaction,”
“focuses more on creativity and less on rational argument/discussion,” “(was a) great way of encouraging all to ‘connect’ with the subject,” and that “it engages participants fully.”

**Conclusions**

Educational drama can be used to improve the teaching of investments management. Its greatest contribution is in improving class dynamics where it is largely viewed as contributing a new and refreshing change from other, more conventional teaching approaches. This ability of educational drama to make the class more interesting by providing a nice deviation in teaching approach is especially valuable for long duration classes. Educational drama is also viewed as contributing to an enhanced understanding of investments theory by providing new ways of learning and knowing. On other aspects of teaching effectiveness, student perceptions are evenly split as to whether educational drama is better than other teaching approaches in terms of real-world applicability, enhanced learning outcomes, and student engagement.

Student reception of educational drama does appear to vary substantially. Some students seem to love it – others are much less enamoured with the technique. This widely varying reception of the technique does call for a measured use of educational drama in the classroom. Perhaps, it should be used on a selective basis for those investment topics – viz., those investigating the human dimensions of investment decisions - that really call out for an emotional engagement with the topic. In this regard, psychological biases of investing and insider trading issues proved to be good topics for educational drama. Expansion of the technique to ethical investing could possibly yield a good teaching outcome as well.

As this is the first study into the use of educational drama to teach investments much remains to be tested as to its efficacy. This work has focused on student perceptions and views. No work has yet been done to objectively measure student learning with educational drama against their learning with other techniques – perhaps looking for differences in test scores over time will tell us more in this regard. Likewise, perceptions of MBA students in Sydney, Australia may not be similar to those of MBA students learning investments in other places, or to undergraduate students studying investments. Extensions to this study which investigate cross-cultural influences on the use of educational drama, or its applicability to other levels of instruction are warranted.

As educators we have a continuing challenge to find new and interesting ways to encourage learning. For investments with its changing foci, and for intensive MBA teaching formats, educational drama seems to be part of the answer. As one student noted “I find educational drama similar to group case study analysis but more fun and interactive…. It is often those things that are out of the norm that you remember – for example, (in) future discussions on insider trading… I will recall the forum theatre session… with investor biases, I will recall the visual, interactive elements of (still image).” These are promising thoughts.
References


