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*Here's a way to understand—  
and redirect—your instinctive  
reaction to crises.*

## How to Bounce Back from Adversity

by Joshua D. Margolis and Paul G. Stoltz

Included with this full-text *Harvard Business Review* article:

- 1 [Article Summary](#)  
Idea in Brief—*the core idea*
- 2 [How to Bounce Back from Adversity](#)

# How to Bounce Back from Adversity

## Idea in Brief

**Psychological resilience**—the capacity to respond quickly and constructively in a crisis—can be hard to muster when a manager is paralyzed by fear, anger, confusion, or a tendency to assign blame.

**Resilient managers** shift quickly from endlessly dissecting traumatic events to looking forward, determining the best course of action given new realities. They understand the size and scope of the crisis and the levels of control and impact they may have in a bad situation.

The authors describe a **resilience regimen**—a series of pointed questions designed to help managers replace negative responses with creative, resourceful ones and to move forward despite real or perceived obstacles.

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# How to Bounce Back from Adversity

by Joshua D. Margolis and Paul G. Stoltz

Things are humming along, and then: A top client calls and says, “We’re switching suppliers, starting next month. I’m afraid your company no longer figures into our plans.” Or three colleagues, all of whom joined the organization around the same time you did, are up for promotion—but you aren’t. Or your team loses another good person in a third round of layoffs; weak markets or no, you still need to make your numbers, but now you’ll have to rely heavily on two of the most uncooperative members of the group.

So how do you react? Are you angry and disappointed, ranting and raving to anyone who will listen? Do you feel dejected and victimized, resigned to the situation even as you deny the cold reality of it? Or do you experience a rush of excitement—perhaps tinged with fear—because you sense an opportunity to develop your skills and talents in ways you’d never imagined? The truth is, you’ve probably reacted in all those ways when confronted with a challenge—maybe even cycling through multiple emotional states in the course of deal-

ing with one really big mess.

Whatever your initial reaction, however, the challenge is to turn a negative experience into a productive one—that is, to counter adversity with resilience. Psychological resilience is the capacity to respond quickly and constructively to crises. It’s a central dynamic in most survival stories, such as those of the shell-shocked individuals and organizations that rallied in the wake of 9/11 and Hurricane Katrina. But resilience can be hard to muster for many reasons: Fear, anger, and confusion can paralyze us after a severe setback. Assigning blame rather than generating solutions is an all-too-human tendency. Worse yet, those to whom we turn for counsel may offer us exactly the wrong kind of advice.

Decades of research in psychology, on topics including hardiness, learned helplessness, coping, and the correlation between cognitive style and health, confirms that each of us has a distinct, consistent pattern of thinking about life’s twists and turns—a pattern of which most of us are largely unaware. It may be an uncon-

scious reflex to look backward from traumatic incidents to explain what just happened. Such analysis can be useful, certainly—but only up to the point where strong negative emotions start to prevent our moving on.

We believe that managers can build high levels of resilience in themselves and their teams by taking charge of how they think about adversity. Resilient managers move quickly from analysis to a plan of action (and reaction). After the onset of adversity, they shift from cause-oriented thinking to response-oriented thinking, and their focus is strictly forward. In our work with leaders in a variety of companies and industries, we've identified four lenses through which managers can view adverse events to make this shift effectively.

- **Control.** When a crisis hits, do you look for what you can improve now rather than trying to identify all the factors—even those beyond your control—that caused it in the first place?
- **Impact.** Can you sidestep the temptation to find the origins of the problem in yourself or others and focus instead on identifying what positive effects your personal actions might have?
- **Breadth.** Do you assume that the underlying cause of the crisis is specific and can be contained, or do you worry that it might cast a long shadow over all aspects of your life?
- **Duration.** How long do you believe that the crisis and its repercussions will last?

The first two lenses characterize an individual's personal reaction to adversity, and the second two capture his or her impressions of the adversity's magnitude. Managers should consider all four to fully understand their instinctive responses to personal and professional challenges, setbacks, or failures.

In the following pages we'll describe a deliberative rather than reflexive approach to dealing with hardship—what we call a *resilience regimen*. By asking a series of pointed questions, managers can grasp their own and their direct reports' habits of thought and help reframe negative events in productive ways. With the four lenses as a guide, they can learn to stop feeling paralyzed by crisis, respond with strength and creativity, and help their direct reports do the same.

### When Adversity Strikes

Most of us go with our gut when something bad happens. Deeply ingrained habits and

beliefs sap our energy and keep us from acting constructively. People commonly fall into one of two emotional traps. One is *deflation*. Someone who has marched steadily through a string of successes can easily come to feel like a hero, able to fix any problem single-handedly. A traumatic event can snap that person back to reality. Even for the less heroic among us, adversity can touch off intense bursts of negative emotion—as if a dark cloud had settled behind our eyes, as one manager described it. We may feel disappointed in ourselves or others, mistreated and dispirited, even besieged.

That was the case with an executive we'll call Andrea, who headed up a major subsidiary of a U.S. automotive parts supplier. She had put up with years of internal bickering and the company's calcified cost structure. But over time she managed to bring the warring factions—unions, management, engineers, and marketers—together, and she gained widespread approval for a plan that would phase out old facilities and reduce crippling costs: Rather than try to supply every make and manufacturer, the company would focus on the truck market. Even more important, Andrea rallied everyone around a new line of products and a clear value proposition for customers that would rejuvenate the company's brand. The future looked bright.

Then fuel prices skyrocketed, the economy seized up, and demand from all segments of the truck market evaporated almost overnight. The recession had brought unfathomable challenges to the organization, and their suddenness left Andrea feeling as if she'd been socked in the stomach. After all her hard work, difficult conversations, and strategizing to fix the previous problems, she felt overmatched—for the first time in her career. Andrea lacked resilience precisely because she had a long history of wins.

The other emotional trap is *victimization*. Many of us assume the role of helpless bystander in the face of an adverse event. "Those people" have put us in an unfortunate position, we tell ourselves (and others) again and again. We dismiss both criticism and helpful suggestions from others, and go out of our way to affirm that we're right, everyone else is wrong, and no one understands us. Meanwhile, self-doubt may creep in, making us feel hopelessly constrained by

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circumstances.

Greg, a senior business development manager at an electronic accessories company, felt just this way. He had sailed through his first three years at the company with several promotions, taking on increasing responsibility—first for building brand awareness among younger consumers, and then for building new relationships (and gaining more shelf space) with large retailers throughout the United States and Canada. But as global competition heated up, Greg's peers and superiors asked him to rethink his approach and questioned whether retail outlets were still a viable distribution channel. Big-box stores were squeezing the company's margins, and physically servicing all the company's accounts seemed unnecessarily expensive compared with online options. Greg reacted to his colleagues' requests by becoming more and more defensive and extremely angry.

These stories illustrate the two-headed hydra of contemporary adversity. First, highly accomplished managers are confronting, in rapid succession, challenges the likes of which they've never seen before—a worldwide economic crisis, the globalization of business, the rise of new technologies, deep demographic shifts. Feeling discouraged and helpless, they turn away from the problem and, unfortunately, from people who might be able to help. Second, even if these managers went to their bosses for guidance, they'd most

likely receive inadequate coaching. That's because most supervisors, riding their own long wave of hard-won successes, lack the empathy to intervene effectively. They may not know how to counsel direct reports they feel aren't quite as talented as they were at escaping the shadow of defeat. They may be so well accustomed to handling adversity in ways that minimize their psychological stress that they don't recognize their own bad habits. (See the sidebar "Coaching Resilience.")

### The Capacity for Resilience

Independent studies in psychology and our own observations suggest that the ability to bounce back from adversity hinges on uncovering and untangling one's implicit beliefs about it—and shifting how one responds.

Most of us, when we experience a difficult episode, make quick assumptions about its causes, magnitude, consequences, and duration. We instantly decide, for example, whether it was inevitable, a function of forces beyond our control, or whether we could somehow have prevented it. Managers need to shift from this kind of reflexive thinking to "active" thinking about how best to respond, asking themselves what aspects they can control, what impact they can have, and how the breadth and duration of the crisis might be contained. Three types of questions can help them make this shift.

*Specifying questions* help managers identify ways to intervene; the more specific the answers, the better. *Visualizing questions* help shift their attention away from the adverse event and toward a more positive outcome. *Collaborating questions* push them to reach out to others—not for affirmation or commiseration but for joint problem solving. Each type of question can clarify each of the four lenses of resilient thinking.

Taken together, the four sets make up the resilience regimen. Let's take a closer look at each set in turn.

**Control.** According to multiple studies—including those by Bernard Weiner, of UCLA, and James Amirkhan, of Cal State Long Beach, and the classic University of Chicago study of executives by Suzanne Ouellette and Salvatore Maddi—our reactions to stressful situations depend on the degree of control we believe we can exercise. Andrea struggled with whether she could still contribute meaningfully to her

## Coaching Resilience

Often even the most resilient managers run into trouble trying to coach direct reports in crisis. They react with either a how-to pep talk delivered utterly without empathy or understanding, or a sympathetic ear and reassurance that things will turn out OK. Neither response will equip your team members to handle the next unforeseen twist or turn. Instead, you should adopt a collaborative, inquisitive approach that can help your direct reports generate their own options and possibilities.

Suppose a defensive employee were self-aware enough to ask you, his mentor, for help dealing with a professional setback—say, being passed over for

promotion. You could just acknowledge his feelings and basically manage his response for him—outlining who he needs to talk to and in what order, and what to do if he doesn't get the answers he wants. But if you ask specifying, visualizing, and collaborating questions—such as "How can you step up to make the most immediate, positive impact on this situation?" and "How do you think your efforts in that direction would affect your team and your peers?"—you put the ball back in your employee's court. You're not endorsing any particular perspective, you're not providing absolute answers—you're helping to build resilience in a team member.

company or whether the sudden shifts in the economy had moved the situation beyond her control. If Greg continued to attribute criticism of his retail strategy to “scheming peers,” he might fail to see what he personally could do to influence the company’s long-term strategy or his own destiny. The following questions can help managers identify ways to exercise control over what happens next:

*Specifying:* What aspects of the situation can I directly influence to change the course of this adverse event?

*Visualizing:* What would the manager I most admire do in this situation?

*Collaborating:* Who on my team can help me, and what’s the best way to engage that person or those people?

The goal in asking these questions is not to come up with a final plan of action or an immediate understanding of how the team should react. Rather, it is to generate possibilities—to develop, in a disciplined and concrete way, an inventory of what *might* be done. (The next set of questions can help managers outline what *will* be done.) Had Andrea asked herself these three questions, she might have identified an opportunity to, say, rally the company around emerging safety and fuel-efficiency devices in the industry, or to use the slowdown to perfect the company’s newer, still-promising products by working more closely with major customers. Similarly, if Greg had undertaken the exercise, he might have been able to channel something his mentor once told him:

“It’s not about whether I’m right or wrong. It’s about what’s best for the company.” With that in mind, Greg might have clearly seen the benefits of reaching out to his peers and team members to assess alternative go-to-market approaches. The ingenuity and work ethic he had applied to building the retail business could have been turned to devising the next great strategy.

**Impact.** Related to our beliefs about whether we can turn things around are our assumptions about what caused a negative event: Did the problem originate with us personally, or somewhere else? Greg attributed the criticism of his retail distribution strategy to his “competitive, power-hungry” colleagues rather than to the possible shortcomings of his approach. He was too deeply mired in defensiveness to get out of his own way. Andrea felt powerless in the face of challenges she’d never before had to meet and forces that eclipsed her individual initiative and effort. Instead of giving in to deflation and victimization, managers can focus intently on how they might affect the event’s outcome.

*Specifying:* How can I step up to make the most immediate, positive impact on this situation?

*Visualizing:* What positive effect might my efforts have on those around me?

*Collaborating:* How can I mobilize the efforts of those who are hanging back?

If he had focused on these questions, Greg might have seen that he was not simply being asked to discard his accounts and acknowledge that his strategy was misguided; rather, he was being cast as a potential player in the organization’s change efforts. He might have appreciated that openly and rigorously assessing his business-development strategy could influence others—whether his assessment validated the status quo or led to a solution no one had thought of yet. And he might have reignited the entrepreneurial culture he so valued when he joined the company by soliciting others’ input on the marketing strategy. For her part, Andrea knew all too well that her company’s fortunes depended on economic conditions—but she couldn’t see how her response to the market failures might energize the organization. These questions might have helped her.

**Breadth.** When we encounter a setback, we tend to assume that its causes are either

## The Research Behind the Resilience Regimen

Two converging streams of research informed our work. The first examines how patterns of understanding the world shape people’s responses to stressful situations. Albert Ellis and Aaron Beck pioneered this research, followed by, among others, Martin Seligman and Christopher Peterson on learned helplessness; Richard Lazarus and Susan Folkman on coping; and Lyn Abramson, David Burns, and James Amirkhan on how “attributional styles” affect health. More recently, Karen Reivich and Andrew Shatté identified how people can strengthen their resilience.

The second stream, pioneered by Suzanne Ouellette and Salvatore Maddi in their studies of hardiness and extended most recently by Deborah Khoshaba and Aaron Antonovsky, explored what differentiated two groups of people who encountered intense stress. One group flourished while the other sank.

A common finding emerges from these two streams of inquiry: How people approach trying circumstances influences both their ability to deal with them and, ultimately, their own success and well-being.

specific to the situation or more broadly applicable, like poison that will taint everything we touch. To build up resilience, managers need to stop worrying about the reach of the causes and focus instead on how to limit the damage. These questions may even highlight opportunities in the midst of chaos.

*Specifying:* What can I do to reduce the potential downside of this adverse event—by even 10%? What can I do to maximize the potential upside—by even 10%?

*Visualizing:* What strengths and resources will my team and I develop by addressing this event?

*Collaborating:* What can each of us do on our own, and what can we do collectively, to contain the damage and transform the situation into an opportunity?

These questions might have helped Andrea achieve two core objectives. Instead of endlessly revisiting the repercussions of plummeting truck sales, she might have identified large and small ways in which she and her team could use the economic crisis to reconfigure the company's manufacturing processes. And rather than fixating on how awful and extensive the damage to the organization was, she could have imagined a new post-recession norm—thriving in the face of tighter resources, more selective customers, and more exacting government scrutiny. Greg might have seen that he had a rare opportunity to gain valuable leadership skills and relevant insights about competitors' marketing strategies by engaging peers and team members in reassessing the retail strategy.

**Duration.** Some hardships in the workplace seem to have no end in sight—underperformance quarter after quarter, recurring clashes between people at different levels and in different parts of the company, a stalled economy. But questions about duration can put the brakes on such runaway nightmares. Here, though, it's important to begin by imagining the desired outcome.

*Visualizing:* What do I want life to look like on the other side of this adversity?

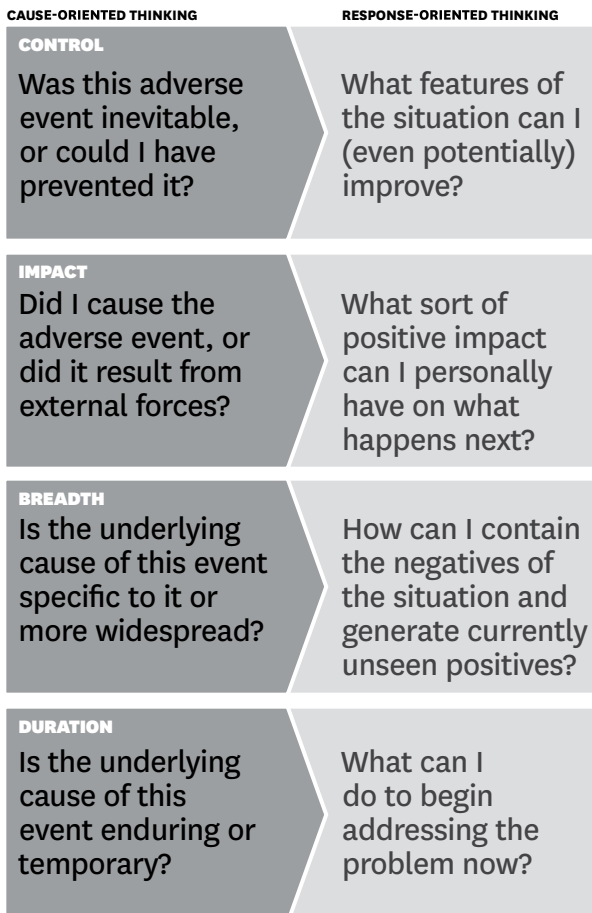
*Specifying:* What can I do in the next few minutes, or hours, to move in that direction?

*Collaborating:* What sequence of steps can we put together as a team, and what processes can we develop and adopt, to see us through to the other side of this hardship?

Greg was sure that criticism of his business-development approach signaled the end: no more promotions, no more recognition from higher-ups of his hard work and tangible results, nothing to look forward to but doing others' bidding in a company that was sowing the seeds of decline. These three questions might have broadened his outlook. That is, he might have seen the benefits of quickly arranging meetings with his mentor (for personal counsel) and with his team (for professional input on strategy). The questions could have been a catalyst for listing the data required to make a case for or against change, the analyses the team would need to run, and the questions about various sales channels and approaches that needed to be answered. This exercise might have helped Greg see a workable path through the challenge he was

## A Change in Mind-Set

To strengthen their resilience, managers need to shift from reflexive, cause-oriented thinking to active, response-oriented thinking.



## How Resilient Are You?

Managers can identify their own patterns of thought when adversity strikes by using the Adversity Quotient (AQ) Profile, a diagnostic tool developed by Paul G. Stoltz. The profile, at [www.peaklearning.com/hbr](http://www.peaklearning.com/hbr), walks users through 14 brief scenarios of adversity, each followed by four questions to gauge resilience.

experiencing. The result would have been renewed confidence that he and his team could keep their company at the forefront of customer service.

### Answering the Questions

Although the question sets offer a useful framework for retraining managers' responses, simply knowing what to ask isn't enough. You won't become more resilient simply because you've read this far and have made a mental note to pull out these questions the next time a destabilizing difficulty strikes. To strengthen your capacity for resilience, you need to internalize the questions by following two simple precepts:

**Write down the answers.** Various studies on stress and coping with trauma demonstrate that the act of writing about difficult episodes can enhance an individual's emotional and physical well-being. Indeed, writing offers people command over an adverse situation in a way that merely thinking about it does not. It's best to treat the resilience regimen as a timed exercise: Give yourself at least 15 minutes, uninterrupted, to write down your responses to the 12 questions. That may seem both too long and too short—too long because managers rarely have that much time for any activity, let alone one involving personal reflection. But you'll actually end up saving time. Instead of ruminating about events, letting them interrupt your work, you'll have solutions in the making. As you come to appreciate and rely on this exercise, 15 minutes may feel too short.

**Do it every day.** When you're learning any new skill, repetition is critical. The resilience

regimen is a long-term fitness plan, not a crash diet. You must ask and answer these questions daily if they are to become second nature. But that can't happen if bad habits crowd out the questions. You don't need to experience a major trauma to practice; you can ask yourself the questions in response to daily annoyances that sap your energy—a delayed flight, a slow computer, an unresponsive colleague. You can use the four lenses in virtually any order, but it's important to start with your weakest dimension. If you tend to blame others and overlook your own potential to contribute, start with the impact questions. If you tend to worry that the adverse event will ruin everything, start with the breadth questions. (To assess your own tendencies, see the box "How Resilient Are You?")

Under ongoing duress, executives' capacity for resilience is critical to maintaining their mental and physical health. Paradoxically, however, building resilience is best done precisely when times are most difficult—when we face the most upending challenges, when we are at the greatest risk of misfiring with our reactions, when we are blindest to the opportunities presented. All the more reason, then, to use the resilience regimen to tamp down unproductive responses to adversity, replace negativity with creativity and resourcefulness, and get things done despite real or perceived obstacles.

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