PMP® EXAM PREPARATION · TEACHING VOLUME

Leading Projects Toward Worthy Value

Sample chapter · English edition

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CHAPTER 6

Conflict and Team Ground Rules Manage, Don't Avoid

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We open this chapter with a remark that recurs in decision rooms and that we hear in nearly the same words across industries: “The team is mature; it doesn't disagree. Harmony matters more than confrontation. Avoidance serves the relationship.” This phrasing assumes that conflict is something to be sidestepped, and that a capable leader is one who keeps the surface calm. ECO 2026 rejects that assumption from its first mention — it uses the verb **manage**, not avoid, and adds a more exact one: **rectify** ground rule violations. Together, the two verbs move conflict from a threat to harmony to a standard tool in the leader's hands. That difference in verbs is the subject of the whole chapter.

1 SECTION

Framing: Avoidance as a Cost, Diagnosis as Competence

1.1 The Channel Tunnel — When Two Engineers Meet in Two Languages Beneath the Seabed



Illustrative image: two tunneling crews meet in a tunnel, and their representatives shake hands among surveying equipment.

In February 1986, Britain and France signed a treaty at Canterbury authorizing construction of the Channel Tunnel — 50.5 kilometers beneath the Channel seabed, with an estimated budget of £4.65 billion and a target opening in 1993. The concession went to Eurotunnel, a British-French company, and the construction contract to TransManche Link, an alliance of five British and five French construction firms. Digging began in 1988. The two crews met beneath the seabed in December 1990. Queen Elizabeth II and President François Mitterrand officially opened the tunnel in May 1994.

By the measure of technical achievement, the result is striking. By the measure of the **iron triangle** (the balance of time, cost, and scope, as Chapter 1 defined it), the tunnel ran a year late and its cost exceeded £9.5 billion — more than double the estimate. But the largest cause of the overrun was not engineering. It was a continuous contractual conflict between Eurotunnel and TransManche Link that ran from 1988 to 1994, punctuated by 17 formal arbitration cases, hundreds of day-to-day disputes on site, and three waves of lost trust between the two management teams.

What post-project studies revealed — notably the National Audit Office report (1996) and the analysis by Genus and Lamond in *Engineering, Construction and Architectural Management* (2003) — is that the conflicts were not simply the product of rigid procurement negotiation but the interaction of three layers that no one diagnosed before the blowup. Layer one: conflict source. Some of it was over **facts** (safety specifications that differed between the two sides), some over **methods** (the scheduling approach), and some over **values** (is acceptable delay set by the contract or by professionalism?). Layer two: context — an unequal balance of power, a long future relationship, and time pressure from an international agreement. Layer three: cost of delay — every month of delay cost £5 million in debt interest. Avoiding the conflict was not a neutral choice. It was a cost that kept accumulating.

When two teams meet beneath the seabed, in two languages and two systems of units, conflict shows itself as a layer, not as an event. Whoever avoids it pays the cost of delay in both currencies.

This pattern reveals what the entire chapter rests on: conflict should not be avoided, because avoidance does not make it disappear; it sinks from the visible surface into hidden interactions that cost more. ECO 2026 People Task 2 expresses this rule through a series of explicit enablers — six enablers arranged in a logical sequence: (1) **identify conflict sources**, (2) **analyze the context for the conflict**, (3) **evaluate, recommend, and reconcile the appropriate conflict resolution solution**, (4) **communicate conflict management principles with the team and external stakeholders**, (5) **establish an environment that fosters adherence to common ground rules**, (6) **manage and rectify ground rule violations** (PMI ECO 2026, People Task 2, enablers 1–6). These enablers are not a checklist but a competency structure that progresses from diagnosis to execution to governance.

Before we go on, we need to pin down four terms, because everything that follows builds on them. **Conflict source vs. topic**: the topic is what the two parties visibly argue about (scheduling, a specification, a sign-off); the source is the deeper root that produces the topic (a disagreement over facts, methods, goals, or values). A practitioner who treats the topic and not the source resolves one version of it and calls up three more. **Thomas-Kilmann modes**: a classification grid for response styles to conflict along two axes (assertiveness × cooperativeness), which yields five modes — Competing, Collaborating, Compromising, Avoiding, and Accommodating — each with a context where it works and others where it does not. **Team charter**: a contextual document built collectively that contains specific rules of conduct and the mechanisms for enforcing them, going beyond generic ethical slogans. **Psychological safety**: Amy Edmondson's 1999 formulation — a shared belief in the team that an individual will not be punished or embarrassed for mistakes, questions, or disagreement. It is not the absence of conflict but the team's ability to withstand it without its relationships collapsing.

> *Take a live conflict in a team you are running now or took part in recently. What are the two sides visibly arguing about (the topic)? What deeper root produces this topic (the source)? Was the source addressed, or did the intervention stay at the topic?*
> *Come back when you finish the chapter and compare your answer with what we have built.*

1.2 The Case for Avoidance — Before We Move Past It

It may fairly be said that avoiding conflict serves the team in many situations. Conflict drains time and energy. Tense conversations can break relationships that need to last for years. A team that is stable on the surface produces more — within the limits that concern us here — than a team in constant dispute. And the major schools of management, from Taylor to Deming, praised operational stability as the basis of efficiency. ECO itself acknowledges that Avoiding is one of the five legitimate modes, not one to be shunned. That acknowledgment has merit.

A group of practitioners also holds, for sound reasons, that mature organizations choose avoidance as a skill, not as an escape. Toyota Production System practitioners, in their published literature, point explicitly to what they call "saving face" as a communication norm. Calculated avoidance lets the party at fault correct itself without the publicity of confrontation. Fairness requires admitting this: in a trivial situation, or one where the emotional cost outweighs the value of a resolution, or one that must be postponed while information is gathered, avoidance really does work.

Nor does it help to pretend these benefits are small. A leader who defends avoidance because it works in nine situations out of ten has a good reason to do so.

1.3 When Avoidance Becomes a Fallacy

Yet this view, for all its contextual merit, slips into what we can call the **default-avoidance fallacy**: turning a situational mode that suits specific circumstances into a default mode applied to every conflict. The result: a heavy build-up of deferred costs. To understand why practitioners slide into this fallacy systematically, we need to look at three patterns that recur across industries.

- **Pattern one — conflict moves from the surface to the depths** — Avoidance does not eliminate conflict; it moves it from a visible interaction that can be addressed into hidden ones (eroding trust, a sense of unfairness, the most professional members leaving in protest). The cost does not disappear; it multiplies.
- **Pattern two — team ground rules collapse as a system** — A team that witnesses a violation without correction rightly concludes that the rules are not binding. Each member then picks what to hold themselves to, and the whole system collapses. This is a documented institutional phenomenon, not a psychological impression.
- **Pattern three — conflict escalates to legal arbitration** — As with the Channel Tunnel, when both parties avoid contractual conflict in the early months, it descends into arbitration in the later years. The cost of arbitrating the 17 Eurotunnel–TransManche Link cases exceeded £800 million — many times what early handling would have cost.

Nor is this observation mere impression. It is confirmed by the systematic literature on organizational behavior. In *The Fearless Organization* (2018), drawing on two field surveys of medical and engineering teams, Amy Edmondson argues that teams that avoid conflict are not more stable teams but less transparent ones. And less transparent teams leave their errors undisclosed until they grow (Edmondson 2018). A team whose conflict is hidden from its leader is not a harmonious team — it is a team that does not tell the leader what the leader needs to hear.

It follows that the way out of the avoidance fallacy is not to pick a different default mode, but to abandon the logic of generalization itself. That is exactly what P-T2 enablers 1 and 2 ask for: diagnosis before recommendation. The leader diagnoses the conflict across its three layers — source, context, cost of delay — and only then recommends the fitting Thomas-Kilmann mode. The move from default avoidance to prior diagnosis is what separates the professional leader from the learner who has mastered a single mode.

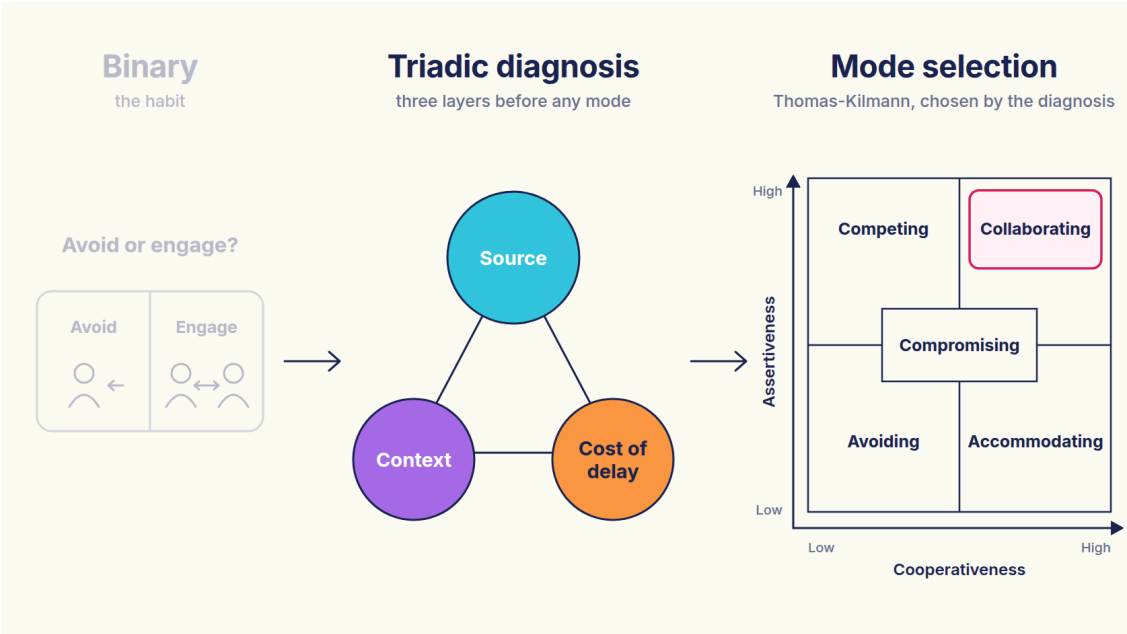

Diagram: from a binary view of conflict (avoid or confront) to a three-layer diagnosis (source × context × cost of delay) that feeds the five Thomas-Kilmann modes for choosing a mode.

2 SECTION

Roots of Judgment: From Thomas-Kilmann 1974 to Crucial Conversations

2.1 The Thomas-Kilmann Grid — The Five Modes as Tools, Not Identities

The five-mode conflict grid traces back to a landmark paper published by Kenneth Thomas and Ralph Kilmann in 1974 titled *The Thomas-Kilmann Conflict Mode Instrument*. The grid measures response to conflict along two distinct axes: **assertiveness** — how hard a person pushes for what they want — and **cooperativeness** — how far they take into account what the other person wants. Their intersection yields five modes, each with a context where it works and others where it does not (Thomas & Kilmann 1974).

Competing — high assertiveness, low cooperativeness. The person pushes for what they want without regard for the other. It works in moments of immediate crisis (a quick decision that cannot bear discussion), in unpopular decisions that have to be made, or when legitimacy rests with the leader's position. Its limit: used by default, it produces a stifled team.

Collaborating — high assertiveness, high cooperativeness. The person seeks a solution that meets both their own interest and the other's. It works in important decisions with long-lasting effects, where everyone's commitment is a condition of success and where time allows for dialogue. Its limit: consuming time the situation cannot afford, or using it in situations that do not merit the effort.

Compromising — medium assertiveness, medium cooperativeness. The person gives up part of what they want in return for a matching concession. It works when the parties are equal in power and time is short, or as a temporary solution. Its limit: once it becomes a default mode, it yields solutions that do not fully satisfy, especially in disputes over values.

Avoiding — low assertiveness, low cooperativeness. The person withdraws from the conflict. It works when the conflict is trivial, when the emotional cost exceeds the value of resolving it, or when a delay is needed to gather information. Its limit: becoming a default mode — the fallacy the previous section addressed.

Accommodating — low assertiveness, high cooperativeness. The person goes along with what the other wants, at their own expense. It works for building relationship capital, when the other is actually right, or when the issue matters more to the other. Its limit: used by default, it produces exhaustion and exploitation.

What the grid offers, contrary to the superficial reading that looks for "the best" mode, is **competence spread across the modes**: the professional leader has all five at hand and chooses among them according to the diagnosis. Avoiding works within a narrow range of situations. Competing works in a crisis. Collaborating works for major decisions but costs time. Compromising works as a practical solution when power is balanced. Accommodating works when the relationship matters more than the issue. Competence is not in mastering a single mode but in moving among all five on the basis of a diagnosis.

2.2 Conflict Diagnosis Layers — The Question That Comes Before the Answer

The grid, for all its clarity, presumes something that comes before it: diagnosis. A leader who reaches for Thomas-Kilmann and picks a mode without diagnosing is like a doctor who writes a prescription before examining the patient. ECO 2026 P-T2 enablers 1 and 2 state this explicitly: **identify conflict sources** and **analyze the context for the conflict** — diagnosis before recommendation.

Diagnosis descends through three distinct layers, which together make up what we call the **conflict diagnosis layers** — the central conceptual tool of this chapter. They come before Thomas-Kilmann and do not replace it.

Layer one — conflict source: reveals the deeper root that produces the visible topic. Daniel Dana classified it in *Conflict Resolution* (2001) into four categories that call for radically different resolution strategies:

Disagreement over facts — concerns what is actually happening or what happened. The easiest to resolve: data, documentation, or an arbitrating third party settles it. It does not call for sustained Collaborating.

Disagreement over methods — concerns how to accomplish what we agreed to accomplish. Compromising or a quick Collaborating works with it. The two parties agree on the goal and differ on the path.

Disagreement over goals — concerns what we should accomplish. Harder than the first two, because it calls for amending the team charter itself or escalating to stakeholders for alignment.

Disagreement over values — concerns what ought to be. The hardest: it cannot be settled with data or concession; it calls either for sustained Collaborating with mediation, or for acknowledging that some disagreements are not resolved but managed.

Layer two — conflict context: time pressure, the extent of the future relationship, the balance of power between the parties. A passing conflict with a supplier you will not deal with again differs radically from a conflict with a partner for the next five years.

Layer three — cost of delay: does delay threaten the target value? Will the team erode if the conflict goes unresolved? Is the financial cost escalating? In the Channel Tunnel, every month of delay on an unopened tunnel cost £5 million in debt interest. The quantified cost settles the resolution strategy.

The three layers come together in a recommendation for a Thomas-Kilmann mode. For example: source = disagreement over methods, context = moderate time pressure with a long relationship, cost of delay = moderate → recommendation: brief Collaborating, or documented Compromising if time is short. By contrast: source = disagreement over values, context = unequal balance of power, cost of delay = high → recommendation: Collaborating with a third-party mediator, not Compromising (which fails on values).

> *Bring to mind a live conflict you know. Diagnose it across the three layers: What is the source (facts · methods · goals · values)? What is the context (time pressure, relationship, balance of power)? What is the cost of delay, in numbers? Based on the diagnosis, which Thomas-Kilmann mode do you recommend? Does the mode that was actually applied differ from what you would recommend now?*
> *Come back when you finish the chapter and compare your answer with what we have built.*

2.3 Boeing 787 — When Suppliers Dispute Who Owns the Problem

2.3 Boeing 787 — Conflict Avoidance Between the OEM and Suppliers as a Quality Cost



Illustrative image: an aircraft on the assembly line, surrounded by fuselage and wing sections arriving from suppliers.

Boeing launched the 787 program in 2003 with a radically new sourcing model: outsourcing 70% of design and manufacturing to a network of 50 tier-one suppliers, on the expectation that suppliers would resolve their mutual disputes without OEM intervention. The expectation collapsed. Between 2005 and 2010, hundreds of disputes piled up between Boeing and its suppliers, and among the suppliers themselves, over who owns the integration problem and who bears the cost of rework.

Boeing's avoidance of these conflicts, especially in the early phases, was a deliberate organizational decision — the default-avoidance fallacy in institutional form. The result: when the lithium battery crisis erupted in January 2013, about fifteen months into service, its organizational roots had been set for years before — in conflicts that no one had diagnosed as its actual source.

What post-project studies reveal — notably the analysis by Tang and Zimmerman in *Supply Chain Forum* (2009) — is that the conflicts in Boeing's network were not disputes over facts (everyone knew the numbers), nor over methods (the specifications were documented), but a compound dispute over **goals** and **values** together. Tier-one suppliers saw themselves as partners; Boeing saw itself as the OEM. This is a disagreement over roles, and at its core a disagreement over the project's goals. And when parties avoid a disagreement over goals, it does not disappear — it sinks into contested interpretations of every contractual clause.

And the result was measurable in money. The late-arriving Cost of Quality (in the Internal Failure and External Failure categories — the subject of Chapter 12) exceeded $30 billion across the project's life cycle, in Tang's updated data. This is not merely an engineering cost. It is the cost of conflicts that were neither diagnosed nor addressed in time.

The conflict we avoid does not disappear. It sinks to a deeper layer, where its cost is measured in the currency of late failure, not the currency of early confrontation.

2.4 Crucial Conversations — The Verbal Method That Puts the Mode into Practice

Choosing a mode is one thing; carrying it out in an actual spoken conversation is another. A leader who chooses Collaborating in theory may slip, in the real conversation, into reflexive Avoiding or tense Competing, because psychological pressure overrides the rational choice. For this reason a verbal method is needed that reinforces the choice in the moment.

The standard reference in this field is *Crucial Conversations* by Kerry Patterson and his colleagues, third edition, 2021. The book presents a practical methodology condensed into trainable verbal steps, built on three successive elements.

Mutual Purpose — before entering the disagreement, the leader affirms the purpose the two parties share. For example: “We are in this together to build a team that does high-quality work. What I want to raise serves that purpose.” The sentence moves the conversation from an adversarial stance to a cooperative one.

- **STATE my path** — five actions carried out in order: **Share** the facts you have seen, **Tell** your story (your tentative interpretation, acknowledging that it is an interpretation, not a fact), **Ask** about the other person's path, **Talk** tentatively (voice your expectations with flexibility), **Encourage** disagreement (encourage the other person to correct you). For example, with a team that neglects review rules: “I noticed that the last few pull requests did not go through review (Share). I understood, perhaps wrongly, that the review as currently worded wastes your time (Tell). I want to understand your view (Ask). If it is an obstacle, we can adjust it (Talk). Correct my understanding if it is mistaken (Encourage).”
- **CRIB when Mutual Purpose goes off track** — when the other person slides into defense or attack: **Commit** to seeking a shared purpose, **Recognize** the reason behind your two different strategies, **Invent** a new shared purpose, **Brainstorm** new strategies to reach it. CRIB rescues the conversation from collapse when it falters.

What makes the method work, contrary to the usual description, is that it can be rehearsed. A leader who mentally chooses Collaborating, enters the conversation, stumbles over the first sentence, and slides into Avoiding does not have weaker intent. That leader has not practiced out loud. The difference between competence and intent is fundamental here.

> *Take a tense conversation coming up on your calendar (with a team member, a supplier, or a stakeholder). Draft your Mutual Purpose in a single sentence. Write STATE in five lines, one line per letter. What does this verbal practice change about the conversation's chances of success?*
> *Come back when you finish the chapter and compare your answer with what we have built.*

3 SECTION
The Tool: Team Charter and the Rectification Rule

3.1 Team Charter — The Infrastructure for Managed Conflict

Before the moment of conflict, the infrastructure that makes resolution possible has to be in place. That infrastructure is the **team charter**, the subject of enabler 5 in P-T2: **establish an environment that fosters adherence to common ground rules**. The key word is not “rules” but **common** — that is, built collectively, not imposed from above.

A team charter is not a generic code of conduct (respect, commitment, quality); those are slogans that bind no one. An effective charter is contextual, built by the team itself, and agreed in wording that can be enforced. It has three elements, and if any one of them drops out, the whole charter fails.

- **Specific behaviors** — not “we respect one another” but “no one interrupts a colleague in a meeting before they finish their sentence.” Not “we are committed to quality” but “no code is merged into the main branch without review by someone other than the author.” Specific wording makes a rule applicable, and makes a violation demonstrable.
- **Collective construction** — Rules dictated by leadership lose their meaning. Rules the team builds together in a dedicated session — where each member contributes what affects them — hold because they are collectively owned. The word “common” in the ECO wording means shared, not imposed.
- **Enforcement mechanism** — A rule with no way of applying it is a joke. The mechanism can be procedural (a pull request is not accepted without a reviewer's sign-off), interactive (a violation of the rule in a meeting is flagged immediately), or periodic (a monthly review of compliance). An environment is not built by writing things down, but by consistent enforcement.

The last enabler in P-T2 — **manage and rectify ground rule violations** — moves the charter from a document to an ongoing practice. When a violation occurs, the leader does not avoid it. The leader handles it with the appropriate Thomas-Kilmann mode, based on the three-layer diagnosis. For an unintentional violation, a brief Accommodating response works (a gentle reminder). A repeated violation calls for Collaborating (a discussion of the root cause). A deliberate violation calls for Competing (reasserting the obligation, with a documented leadership intervention). Avoiding is not an option, because it tears down the environment the leader claims to be building.

3.2 The Rectification Rule — The Three-Level Escalation Playbook

This chapter ends with a practical tool that combines diagnosis (the conflict layers), selection (Thomas-Kilmann), and execution (Crucial Conversations) into a graduated escalation ladder. We call it the **three-level escalation playbook**. The playbook is more than a list. It is a logic of progression in which each level is exhausted before moving to the next.

Level 1 — Team ground rules and their enforcement (P-T2 enablers 5 and 6). When a violation occurs, the first response stays inside the team. The leader diagnoses the conflict through the three layers, chooses a Thomas-Kilmann mode, and carries it out through a Crucial Conversation with the person concerned. The leader records the violation in an internal log that tracks how patterns recur. The situation is resolved at this level in the great majority of cases (an estimated 80% in mature teams).

Level 2 — A signed resolution strategy (P-T2 enabler 3). When the violation repeats or widens, the leader moves to a more explicit strategy, which the leader writes and signs with the individual. The strategy covers what has to change, the follow-up mechanism, review dates, and a statement of what happens if nothing changes. That last statement, however harsh, is necessary: it moves the commitment from spoken to documented. Roughly another 15% of situations are resolved at this level.

Level 3 — Institutional escalation (integrates with Biz-T1 governance escalation). When the first two levels are exhausted without a result, the leader escalates through governance paths and their thresholds, which are the subject of Biz-T1 in Chapter 14. Escalation does not mean retaliation. It means using institutional authority to resolve what could not be resolved internally. It requires full documentation of what happened at the two earlier levels, a precise statement of the request, and an escalation framed as a request for an outcome, not an attack on an individual. The remaining 5% of situations are resolved at this level.

The three-level structure works for two reasons. First, it protects the team from premature escalation, which wastes the leader's authority and strains relationships for no reason. Second, it protects the organization from unnecessary intervention in conflicts that can be resolved internally. A competent leader exhausts Level 1, moves to Level 2 when needed, and turns to Level 3 only when the threat exceeds their individual ability to resolve it.

Level	Enabler	Tool used	Documentation	Scope
1 — Team ground rules	P-T2 e5+e6	Crucial Conversation + Thomas-Kilmann mode	Informal internal log	Within the team
2 — Signed strategy	P-T2 e3	Written agreement with dates and a review	Document with two signatures	Between the leader and the individual
3 — Institutional escalation	Biz-T1 link	Formal governance path	Full file covering the two earlier levels	Project board/governance

The playbook fails when the leader applies it badly. If the leader chooses Avoiding at Level 1, the violation piles up untreated. If the leader jumps to Level 3 without exhausting Levels 1 and 2, the jump exposes the leader's limited ability to deal with the problem directly. If documentation is missing between levels, the escalation collapses at institutional review. If the leader confuses a repeated violation with a disagreement over method, the leader applies Competing to what calls for Collaborating.

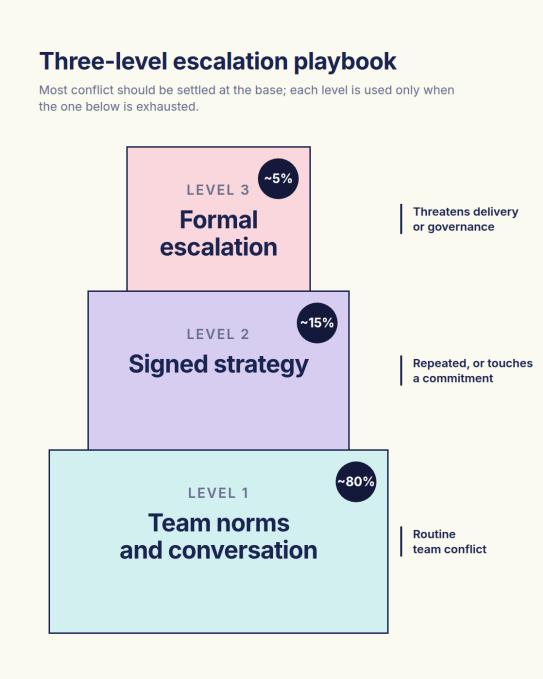

Diagram: a rising three-level ladder. Level 1 at the base (team norms and conversation, about 80% of cases), Level 2 in the middle (signed strategy, about 15% more), Level 3 at the top (formal escalation, about 5%).

The call on an escalation level is not a decision made once. It has to be defended before the team (which notices every escalation) and before the project board (which receives Level 3), so the playbook tests a leader's competence in practice. Anyone who has reached this point now has the tool. One question remains, and it opens the next chapter: once conflicts are resolved and the rules settle, how does the leader move knowledge among team members and frame communication between stakeholders so that it serves the target value? ECO 2026 People Tasks 7 and 8 address this, and it is the subject of Chapter 7 — the knowledge-communication loop.

4 SECTION Chapter Conclusion

4.1 Summary of the Thesis

Conflict management under the PMI 2026 framework is not a choice between confrontation and avoidance. It is a series of graduated competencies that begins with diagnosis and ends with governance. ECO 2026 People Task 2 defines six enablers arranged in sequence: diagnose the source, analyze the context, recommend a resolution, communicate the principles, establish an environment, and manage and rectify violations. The central conceptual tool, the conflict diagnosis layers, comes before Thomas-Kilmann and does not replace it. It reveals the source (facts · methods · goals · values), the context (time pressure, relationship, balance of power), and the cost of delay before a mode is chosen. The Thomas-Kilmann grid offers five modes (Competing · Collaborating · Compromising · Avoiding · Accommodating), each with a context in which it works. The Crucial Conversations method turns the theoretical choice into a verbal practice that can be rehearsed through Mutual Purpose, STATE, and CRIB. The team charter builds the environment before conflict, and the three-level escalation playbook resolves conflict when it occurs, keeping the progression from team to individual to governance. The Channel Tunnel case shows what happens when diagnosis is absent: conflicts descended into 17 arbitration cases and a final cost more than double the estimate. The Boeing 787 case shows the opposite picture: avoiding role conflict in the supplier network turned into a quality cost exceeding $30 billion. Avoidance is not a neutral decision. It is a deferred cost.

4.2 Key Points to Remember

Avoidance as a cost, not a solution: ECO 2026 uses manage and rectify, not avoid. Default avoidance moves the conflict from the visible surface into hidden interactions that cost more.
Default-avoidance fallacy: turning Avoiding from a suitable situational mode into a blanket mode. Common in cultures that treat harmony as the highest value.
Channel Tunnel (1988-1994): 17 arbitration cases and a final cost more than double the estimate. The biggest cause was cross-cultural contract conflicts that were never diagnosed layer by layer. Cost of delay = £5 million in debt interest per month.
Boeing 787 — role conflict in the network: The OEM's deliberate, organizationally designed avoidance of supplier disputes produced a quality cost above $30 billion (Tang & Zimmerman 2009 + later data).
Conflict diagnosis layers (P-T2 e1+e2): three layers that come before choosing a mode — source (facts · methods · goals · values, Dana 2001 classification) × context (pressure, relationship, balance of power) × cost of delay (quantified).
Thomas-Kilmann (1974) — five modes, not one: Competing (crisis) · Collaborating (a major decision with long-lasting effect) · Compromising (balanced power and tight time) · Avoiding (a trivial matter, or postponing to gather information) · Accommodating (the relationship matters more than the topic). Competence lies in moving between modes, not in mastering a single one.
Crucial Conversations (Patterson 2021): Mutual Purpose before the disagreement, STATE (Share · Tell · Ask · Talk · Encourage), CRIB (Commit · Recognize · Invent · Brainstorm) when the conversation drifts.
Team charter (P-T2 e5): specific behaviors + collective construction + enforcement mechanism. The key word in the ECO wording is “common,” not “rules” — the charter is built, not imposed.
Psychological safety (Edmondson 1999): not the absence of conflict, but the team's ability to withstand it without collapsing. In less transparent teams, far more errors stay undisclosed.
Chapter output — the three-level escalation playbook: team ground rules (~80%) → signed strategy (~15%) → institutional escalation (~5%). Each level is exhausted before moving up.

4.3 The Tool You Take Away — Conflict Diagnosis Layers

A conceptual tool made up of three layers that the leader answers before choosing a Thomas-Kilmann mode:

Conflict source — which of the four (Dana 2001 classification)? A disagreement over facts (easiest, resolved with data) · methods (quick with Compromising/Collaborating) · goals (requires aligning stakeholders) · values (the hardest, requires mediation or sustained management).
Conflict context — time pressure (urgent/medium/relaxed) · extent of the future relationship (fleeting/moderate/long) · balance of power (balanced/unbalanced).
Cost of delay — quantified where possible (financial, team, organizational). If it is not quantified, the leader slides into default avoidance.

Together, the three layers produce a recommendation for a Thomas-Kilmann mode, not a checklist. The four failure patterns: confusing the topic with the source · overlooking the context (balance of power, relationship) · lacking a quantified cost of delay · jumping to Thomas-Kilmann without diagnosis.

The tool is then completed by an **effective team charter** (specific behaviors + collective construction + enforcement mechanism) and a **three-level escalation playbook** (within the team → signed strategy → institutional escalation). The three together — diagnosis + charter + playbook — make up the full competence that P-T2 requires.

4.4 Questions That May Be on Your Mind

Q · In a culture that fundamentally values harmony, isn't Avoiding more appropriate than Collaborating?

A · Harmony and avoidance are not synonyms. Harmony is the outcome; the road to it may be firm Collaborating. The Toyota Production System, which deeply values harmony, uses the practice of “hansei” — open self-reflection in which mistakes are exposed candidly. Avoidance produces superficial politeness, not harmony. And a team whose conflict is hidden from its leader is not a harmonious team. It is a team that does not tell the leader what the leader needs to hear (Edmondson 2018).

Q · Compromise always seems like the fairest solution, doesn't it?

A · No. Compromising works for a disagreement over methods when the two sides are equal in power and time is short. But it fails in a disagreement over values, because giving up half of a value leaves both sides dissatisfied. It also fails in a crisis, because it misses the decisive moment. And using it by default produces a team that always agrees in the middle, even when one side is actually right. The diagnosis determines the right mode, not an abstract sense of fairness.

Q · Crucial Conversations looks like a training model. Is it actually practiced on projects?

A · Yes, on the condition of verbal practice. A leader who has read the book but has not rehearsed slips into reflexive Avoiding in the real conversation, because psychological pressure overrides the rational choice. The method is practical, but its practicality depends on specific verbal rehearsal, not on attending the course. ECO 2026 P-T2 enabler 4 — communicate conflict management principles — presupposes this verbal competence.

Q · If the conflict is resolved, why is documentation necessary? The team knows.

A · For two reasons. First, the team does not know. Collective memory is fragile, and verbal agreements get reinterpreted six months later. Second, the team charter itself is built from resolved conflicts. Every documented conflict generates a rule, and every rule prevents a similar conflict from recurring. Documentation is not bureaucracy. It is cumulative knowledge-building.

Q · When do I handle a conflict as a team, and when do I escalate it to governance?

A · The three-level playbook answers this: exhaust Level 1 (team ground rules + a Crucial Conversation) before moving to Level 2 (a written, signed strategy). Exhaust Level 2 before Level 3 (institutional escalation). Each level requires documentation of what happened at the one before. Escalating too early squanders the leader's authority; delaying too long lets the team fall apart. The playbook keeps the two decisions separate.

Q · In virtual teams (remote/hybrid), do the same tools apply?

A · Yes, with adaptations. Diagnosis (the conflict layers) is not affected by location. Thomas-Kilmann is not affected by location. Crucial Conversations is affected: STATE on video requires greater awareness of tone because body language is partly missing. In a virtual setting the team charter needs additional rules (camera use, asynchronous replies, boundaries for quiet hours). The tools stay; the details adapt.

Q · What if the conflict is with my direct manager rather than a member of my team?

A · The same tools work, but the escalation playbook runs in reverse. The suitable tool is not escalation to governance but **lateral consultation**: a trusted fellow leader, an HR representative, or a mentor. The Crucial Conversation works with the same structure, but Mutual Purpose requires double the respect for the other party's authority. And documentation matters more here, not less.

4.5 Chapter Glossary

Conflict source vs. topic

The topic is what the two sides visibly argue about (scheduling, a specification, a sign-off); the source is the deeper root (disagreement over facts · methods · goals · values). Dana 2001 classification.

Thomas-Kilmann modes

A classification grid with two axes (assertiveness × cooperativeness) that yields five modes — Competing · Collaborating · Compromising · Avoiding · Accommodating — each with a context in which it works. Thomas & Kilmann's 1974 formulation.

Conflict diagnosis layers

The central conceptual tool of this chapter. Three layers that come before the choice of mode: source × context × cost of delay. They separate the professional leader from the learner who chooses a mode before diagnosing.

Default-avoidance fallacy

Turning Avoiding from a situational mode suited to specific situations into a blanket mode applied to every conflict. Result: deferred costs that pile up.

Team charter

A contextual document, built collectively, that contains specific rules of conduct (not slogans) + enforcement mechanisms. The key word in the ECO wording is “common” — built, not imposed.

Psychological safety

Amy Edmondson's 1999 formulation. A belief shared within the team that no individual will be punished or embarrassed for mistakes, questions, or disagreement. Not the absence of conflict, but the team's ability to withstand it.

Crucial Conversations (Patterson et al. 2021)

A verbal method for conducting high-stakes conversations. Three elements in sequence: Mutual Purpose · STATE my path (Share · Tell · Ask · Talk · Encourage) · CRIB when the conversation drifts.

STATE my path

Five verbal actions for conducting a Crucial Conversation: Share the facts, Tell the story (the initial interpretation), Ask about the other person's path, Talk tentatively, Encourage disagreement.

Manage and rectify violations

P-T2 enabler 6. Addressing violations is a required leadership act, not an option. Avoidance tears down the environment the leader claims to be building.

P-T2 (People Task 2)

The second task in the People domain of ECO 2026. It contains six enablers: diagnose the source · analyze the context · recommend a resolution · communicate the principles · establish the environment · manage and rectify violations.

Three-level escalation playbook

The chapter's practical output. Three levels that progress from team ground rules (~80% of cases) to a signed strategy (~15%) to institutional escalation (~5%, integrates with Biz-T1).