Part 2 · People · Day 2

Conflict and Team Ground Rules

— Manage conflicts

06

Manage, don't avoid — six actions in the ECO text, running from diagnosis to rectifying violations.

ECO 2026 · PEOPLE T2 | 75 MIN | DAY 2

English Channel · Channel Tunnel

The two crews met under the seabed with rare precision — and went to arbitration 17 times above it.

1988 to 1994: a continuous contract conflict between Eurotunnel and TransManche Link — 17 arbitration claims, cost up from £4.65 billion to £9.5 billion, and every month of delay costing £5 million in debt interest.

Chapter rule

Avoidance is not a neutral decision — it is a **deferred cost** paid in both currencies.



Terms you need shortly

Four terms the chapter turns on — Pre-training

Thomas-Kilmann modes

Five response modes — assertiveness about your demand, cooperativeness toward the other side

Source vs topic

The topic is what is argued on the surface — the source is its deeper root

Team charter

A team charter of specific behavior, built collectively and enforced — not slogans

Psychological safety

Withstanding conflict without relationships collapsing — not the absence of conflict

What you take away from this unit

Three capabilities, tested on a real conflict you know.

01 You diagnose before you choose

Three layers: source, context, and cost of delay — **the prescription comes after the examination**.

02 You move between the five modes

Competence is moving between modes as the diagnosis directs — not mastering one.

03 You build a charter that enforces and corrects

Specific behavior, collective building, an enforcement mechanism — then graduated escalation when it is breached.

The conflict we avoid does not disappear — it sinks to a deeper layer where the cost is higher.

From a surface that can still be treated to eroded trust — and the most professional members leaving in protest.

Give avoidance its due first — it is a legitimate mode

Before dismantling the assumption, acknowledge the cases where it serves.

01 **Conflict drains**

Time, energy and relationships that have to last for years — stability is a real foundation of efficiency.

02 **Saving face helps**

Calculated avoidance lets the person at fault self-correct without a public confrontation — the Toyota communication rule.

03 **The question that turns the tables**

When does avoidance work situationally — and when does it become a default applied to every conflict?

Exam trap: mature teams don't disagree

The common belief — and why it appeals

A mature team doesn't disagree — and consistent avoidance is a sign of harmony and professionalism.

It appeals because harmony is a real value and conflict is draining — so the ban stretches from pointless disputes to all conflict.

The correction

Teams that avoid conflict are not more stable but less transparent — and far more of their errors stay undisclosed.

The fallacy's name: default avoidance fallacy — a situational mode turned into a generalized default.

Retrieval

A live conflict on your team: what are the two sides visibly arguing about — and what root produces it?

Topic	Source	Which was addressed?

Two minutes — then two examples from the room.

The four conflict sources — each with its own remedy

Dana's classification: the root determines the strategy.

facts

Facts

What actually happened — the easiest: settled with data, documentation, or a third-party arbiter.

methods

Methods

How we deliver what is agreed — mutual compromise or quick collaboration.

goals

Goals

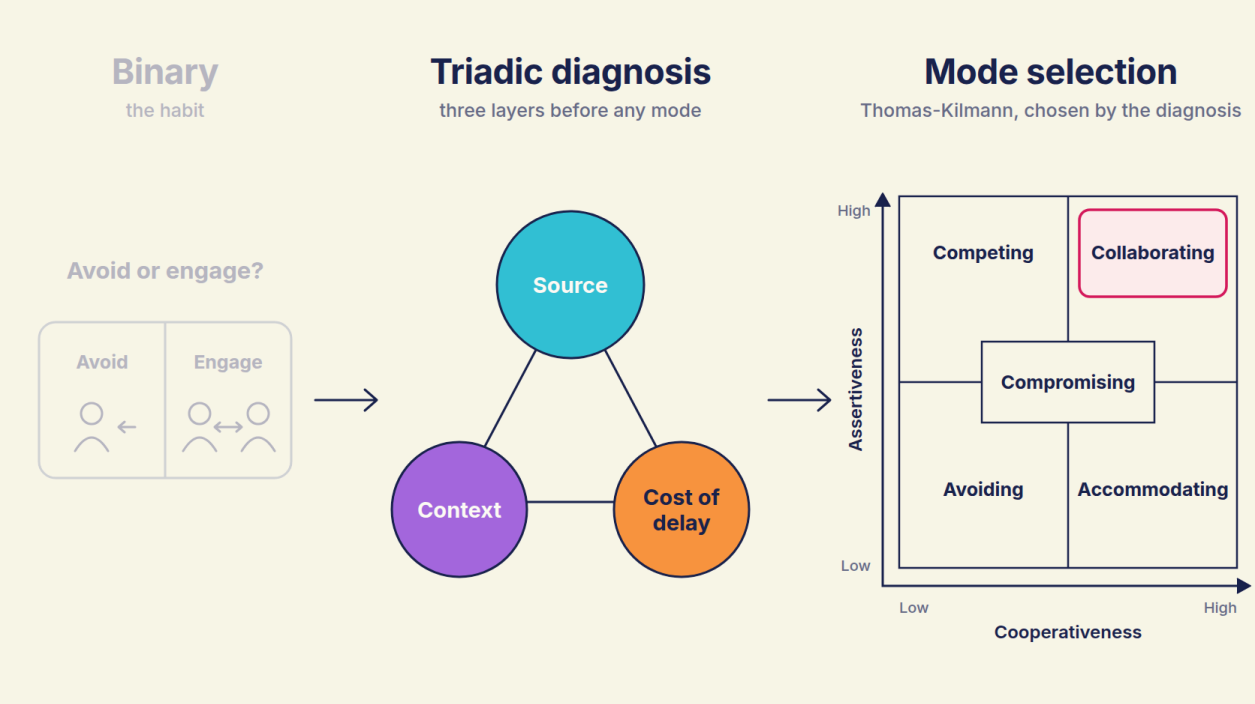
What must be achieved — calls for amending the charter or escalating for alignment.

values

Values

What ought to be — the hardest: mediated collaboration, or managed, not resolved.

Diagnosis before mode



1. The naive binary — **avoid or confront** — is replaced by a diagnosis.
2. First layer: source — facts, methods, goals, values.
3. Second layer: context — time pressure, relationship, balance of power.
4. Third layer: cost of delay — quantified, not impressionistic.
5. The five-mode grid is fed by the diagnosis — prescription after examination.

Picking a mode before diagnosing is like a doctor prescribing before examining.

P-T2 · enablers 1–2

Boeing 787 supplier network

Deliberate avoidance in institutional wording — and a bill that arrived years later.

70% of design and manufacturing outsourced to 50 suppliers, expecting them to settle their disputes without intervention. The real disagreement was over roles — partners or suppliers? — and once avoided, it sank into contested interpretations of every contract clause.

The bill

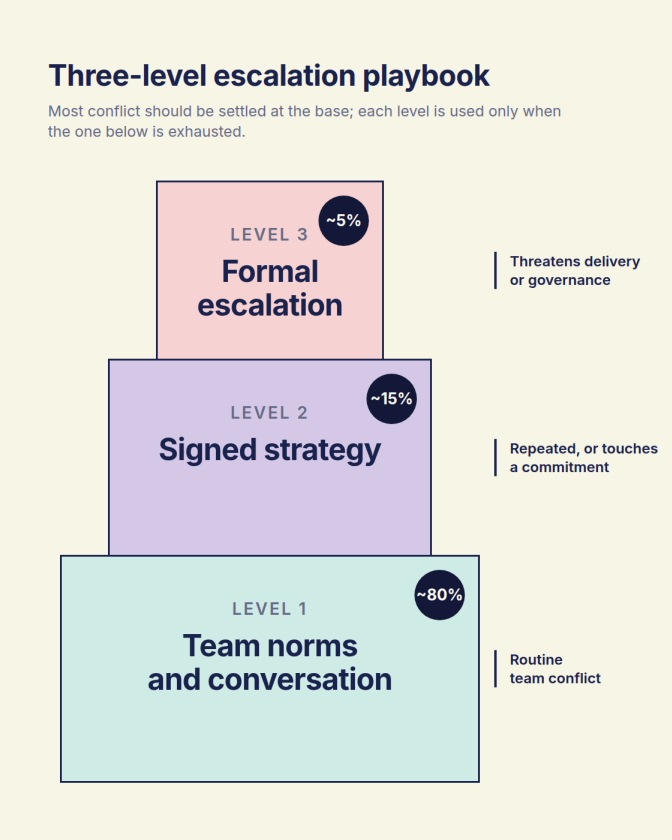
Late-arriving cost of quality exceeded $30 billion — **the cost of conflicts not diagnosed in time.**



The five-mode grid: tools, not identities

Mode	Axes	When it works
Competing	High assertiveness · low cooperativeness	An immediate crisis, or a needed unpopular decision
Collaborating	High assertiveness · high cooperativeness	Major decisions with long-lasting effect — **time-consuming**
Compromising	Medium · medium	Equal power and little time — or a temporary fix
Avoiding	Low · low	A trivial matter, or a delay to gather information
Accommodating	Low · high	The relationship matters more than the topic — or the other side is right

Three-level escalation



1. Level 1: team norms and a crucial conversation — about 80% of cases.
2. Second: a written, signed strategy with follow-up and dates — about 15% more.
3. Third: formal escalation through governance channels — about the remaining 5%.
4. **Exhaust each level before climbing** — documentation is the bridge between levels.

Jumping ahead too early wastes the leader's authority — too late, the team collapses.

P-T2 · enablers 5–6

Worked example: the crucial conversation

Team neglects review rules — recent pull requests merged with no reviewer.

01 Shared goal → Share

"We both want a team that delivers quality." Then the facts: "I noticed recent requests skipped review."

02 Tell → Ask

"I understood, perhaps mistakenly, that the review as worded wastes your time. Help me understand."

03 Talk → Encourage

"If it's an obstacle, we can adjust it — correct me if I'm wrong."

Why it works

The story is an interpretation, not a fact; inviting correction keeps the other person a partner — **rehearsed aloud, the pattern holds under pressure**.

Complete the missing layer: diagnosing the Channel

Different safety specifications, two scheduling approaches, and an open question: acceptable delay by the contract, or by professionalism?

01 **Diagnose the source**

Facts, methods and values together — each with a radically different resolution strategy.

02 **?**

03 **Reach the verdict**

Values through long-haul, mediated collaboration; facts through a data arbiter — no single mode for everything.

Now on your own: diagnose your conflict

A live conflict you know — three layers, then a recommendation.

Source (facts · methods · goals · values), context, and cost of delay in numbers — then the recommended mode. Does it match what was actually applied?

Time
8 minutes

Format
Individual, then pairs

Output
One-page diagnosis

A charter that binds, or a slogan on the wall?

The one element whose failure brings down the whole charter.

The slogan charter

“We respect each other”

Generalities that bind no one and whose violation cannot be proved — a code of ethics hung on a wall.

The effective charter

“No code is merged without a different reviewer”

Specific behavior that can be proved, built collectively, with an enforcement mechanism — procedural, interactive, or periodic.

The key word in the text

common, not “rules” — the charter is built with the team, not dictated from above.

Pillars of the unit

Four facts that carry what follows.

01 Avoidance is a deferred cost

From the visible surface to the hidden depths — and the bill arrives in the currency of late failure.

02 Diagnosis before mode

Source, context and cost of delay — then the five-mode grid, not the reverse.

03 Competence in switching modes

Five modes, each with its own context — no single best mode to generalize.

04 The charter is built and enforced

Specific behavior, collective ownership, and a mechanism — then graduated escalation, exhausting each level.

Terms the scenario questions turn on — Exam terms

Cover the meaning and recall it — every term has come up before.

Thomas-Kilmann modes

Five modes on the assertiveness and cooperativeness axes

Source vs topic

The root that produces the surface topic

Default avoidance fallacy

A situational mode turned default — the trap

Team charter

Specific behavior + collective building + mechanism

Psychological safety

Withstanding conflict without collapse — Edmondson

STATE my path

Five verbal moves for the crucial conversation

This time the conflict is with your direct manager, not your team — which tools remain valid?

A question from the end of the chapter — discuss it before closing.

Diagnose, then choose, then speak.

Layers, then a mode, then a rehearsed conversation — with the charter built before all of it.

Unit 6 complete · The layers are in your hands

The rules are settled and the conflicts resolved — so how does knowledge move and how is communication framed?

Unit 7 · Knowledge and Communication — People T7+T8