



Building the New Generation National Library (B)

In February 2009, New Zealand National Librarian Penny Carnaby faced the challenge of completing the redevelopment of the main Library building in Wellington, on time and to the original \$70 million budget, despite the discovery of weaker than expected soils on the site, which would require expensive additional earthquake strengthening.

It was a challenge Penny Carnaby was prepared to meet, but one that would entail stringent value management processes so there would be no need to go back to the Government for more funding. She was committed to maintaining the timetable for redevelopment, and continuing the plans to “decant” the Library to temporary premises from late 2009 to the end of 2011. The decant meant moving nearly 3 million books, 4.5 million photographs and negatives and 100,000 paintings, drawings, prints and cartoons, a similar number of sound recordings, and 140,000 ephemera items like posters and theatre programmes. The Library held the largest collection of Māori documentary material in the country. Like the 9km of rare and precious manuscripts held in the Alexander Turnbull Library, many of its paintings had to be stored in a controlled atmosphere. The Library’s newspapers could form a stack about 2km high while its serial collections stretched for more than 4 km. With the Turnbull collection alone valued at \$1 billion, it was New Zealand’s most valuable cultural asset.

In 2008, the National Librarian had begun implementing a new organisational design, intended to align the Library’s internal culture with the physical changes to the building in which it was based. The changes aimed to better fit the Library for its fast-evolving role in preserving New Zealand’s digital, as well as printed, heritage.

This case was written by Janet Tyson, Australia and New Zealand School of Government, for Dr Richard Norman, as a basis for class discussion rather than to illustrate either effective or ineffective handling of a managerial situation. The support of the Leadership Development Centre in the development of this case is gratefully acknowledged. The Case Program thanks Penny Carnaby, Norman Chorn and other contributors for their assistance but notes that the content herein is the responsibility of the author.

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The “New Generation National Library 2007-2017”, published in November 2007, resulted from 20 months work by organisational change consultant Norman Chorn, with Penny Carnaby, Library staff and stakeholders. The strategy was a comprehensive re-think of how the organisation was designed and importantly how it would embed the digital world into its operations, while still maintaining the growing print-based collections and services. In announcing the New Generation Strategy, the National Librarian said to staff that in her view “no job would remain unchanged” during the comprehensive re-think and change process.

New roles and relationships were represented in a diagram that showed three interlocking circles (*Exhibit 1*). The circles symbolised the three “personalities” at the heart of the New Generation National Library: the Digital Library, the Alexander Turnbull Library, and Services to Young New Zealanders. The Venn diagram¹ had been deliberately chosen to show how all three would advance into the future linked as a single entity with shared support systems and services, and a collaborative approach to work. Support systems, separate to each silo in the existing building and organisation, would operate as a single unit offering service to all parts of the library. Similarly, the National Librarian would draw on the skills and expertise from each “personality” of the library to contribute on major issues or initiatives.

Four strategic priorities that would contribute to the development and implementation of the National Library’s 10-year strategic directions: Accessing New Zealand’s digital memory; Inspiring knowledge creation and economic transformation; Sharing our nation’s stories and Enriching the user experience.

The new organisational design represented a determined effort to crack open continuing silo structures and smooth over internal divisions, to release the Library’s expertise in a way that would mirror the borderless world of the Internet. It was essential that culture change should parallel the building development.

Greater collaboration and open dialogue

Greater cross-library collaboration had been Penny Carnaby’s goal since becoming Chief Executive of the National Library in 2003, yet recent surveys confirmed that distinct cultures and definite silos continued to exist. After several successful years selling the Library’s “story” to external stakeholders, she knew a contrast in leadership style was called for to focus on internal culture change.

“The next big step is quite different. It’s about building a team. There’s a whole lot about implementation. The story is not just about the vision and innovation, it’s about the delivery and the intelligence and the trustworthiness of the organisation. The story is no less compelling but it has changed,” she reflected in December 2008.

From the outset, Penny Carnaby had wanted to encourage a collaborative workplace where, as in the Māori kete or basket, “individual threads can stand out but the

¹ Venn Diagrams, invented by British logician John Venn, are a diagrammatic means of demonstrating relationships between entities.

strength comes from their interweaving.”² She knew that public battles over the roles and relationships of the National and Turnbull Libraries had taken its toll on staff as well as reputations; the “disconnects” between parts of the organisation were evident.

She wanted open dialogue on what was happening within and outside the Library, and invited all staff to regular meetings in the Library theatre, seeking feedback and comment. She wrote a weekly newsletter informing staff of business and personal developments.

In the introduction to the 2004 Annual Report, Penny Carnaby told the staff “You are an extremely talented, positive group of individuals, and I’d like to extend my warm thanks to each and every one of you, for the outstanding efforts put in this year.” Describing the year’s external consultations and plans to make the Library’s front entrance more accessible, she wrote: “We’re matching that, step for step, with an internal culture change that affects how our people work and how our organisation is viewed.”

In another 2004 document, the 14-page Open Letter to staff entitled *The Ecology of Change*, she talked about the changes still needed in “this wonderful place”, which was a “Library in Transition”, and said “I sense we still need to talk more about what this [cultural change] means and why it is so important for us. We need to understand the larger environment in which we are working.” She asked each director to take on pan-library responsibilities, and set up pan-library working groups (*Exhibit 2*).³ She encouraged everyone, even the experts passionate in their field, to step into areas where they didn’t know all the answers all the time.

“It’s necessary to be agile, creative and innovative, where appropriate take risks and experiment – within the rules – to provide inspired leadership the profession expects. If we don’t risk making mistakes...we risk stagnating and failing.”⁴

Referring to staff expectations that she would make massive change as soon as she arrived, she said it would have been “enormously disrespectful” to arrive with preconceived ideas and before she had listened to the pulse and come to understand the personality of the organisation.

“Of course I had a vision, hopes and expectations, but I didn’t know the way these might manifest in the future. In my view it was important that I didn’t. We need to risk periods of uncertainty, and paradoxically, confusion is often an important part of the journey to becoming clear.”⁵

The Library workforce was, compared to the public service average, older, more stable, and more strongly unionised. A significant number planned to retire within the next five years; (*Exhibit 3*) a majority were female, and most were passionate about process, precision - and detail. The staff included some world-renowned experts in specialised fields, many of them working in the Alexander Turnbull Library. Almost

² Carnaby, P: ‘The Ecology of Change: Looking back on my first year in the job.’ An open letter to the Staff of the National Library of New Zealand, Te Puna Mātauranga o Aotearoa, from Penny Carnaby, Chief Executive and National Librarian, p6. Hereafter “EOC”.

³EOC, p6

⁴ ibid p 11.

⁵ ibid

40 years after it had officially come under the umbrella of the National Library, the “Turnbull” was still seen as a separate identity. This was despite the Turnbull being described in the *National Library of New Zealand Act 2003* as part of the National Library, with the National Librarian and Chief Librarian of the Alexander Turnbull Library in “mutually supportive” roles, and to some extent ignored the whole-of-library professional relationships developed, in particular, in the digital environment.

In 2006 the long-serving Chief Librarian of the Alexander Turnbull Library stepped down. The arrival of a “new generation” was symbolised by the appointment in March 2007 of Chris Szekely, of Māori, Irish and Hungarian heritage. He became the new Chief Librarian, and Deputy National Librarian. Szekely had formerly been head librarian at Manukau City, New Zealand’s fastest-growing, “youngest” and most ethnically diverse community.

Penny Carnaby had started her term as National Librarian in 2003 with a promise to her staff that she would not inflict another restructuring on them. But after a number of significant achievements in developing the Digital Library, she had come to realise that a redesign, and eventually restructure, of the organisation, would be inevitable.

Despite her original pledge not to restructure, unless there was a compelling reason to do so, she had incrementally altered the organisation that she took over, making new appointments, including establishing the operational position of Deputy Chief Librarian, and renaming a number of directorates. Designers and people with specialist IT skills were needed to advance the ambitious digital content programme. Digital New Zealand and the National Digital Heritage Archive, both very “edgy” projects using a new way of designing called agile methodology, attracted a new wave of employees.

Confusion and clarity

When, in 2006, Penny Carnaby asked Norman Chorn if he might assist with the library’s internal change process, he already knew something of the issues that people working at the National Library were facing. Sydney-based Chorn was a regular visitor to New Zealand, conducting workshops on strategic leadership for the Leadership Development Centre’s Leadership in Practice residential course for tier 2 and tier 3 managers. He found there was a recurring concern that there was not enough clarity about the role and purpose of the Library.

“Difficulties with the definition of the library’s business were the tip of an iceberg. Some people in the organisation were fearful of change, while others were just confused ...they needed more clarity to move forward.”

In his discussions with staff about the role and business of the modern library, it was quickly clear to him “who had already been doing thinking of their own” about the future role of the National Library.

He also found that it was essential to establish precise meaning in communications when dealing with people who were experts and intellectual leaders in their own fields.

“The people inside the Library would play word games, in a constructive way. ‘Value proposition? Let’s analyse what a value proposition means.’ Once they had decided on the correct words, the terminology had instant shared meaning. Most people use structure and design interchangeably, but the Library GOT the distinction.”

Aspects of leadership

Norman Chorn realised he had two assignments in one. One was working with Penny Carnaby on aspects of leadership, and the other with the library on strategy and organisational design. After a day’s work with library groups, he had dinner with Penny and a few others “keeping her one or two steps ahead and getting sign-off on where I wanted to be going. I needed to convince her on an intellectual basis before I started work with groups.”

As well, he persuaded her to “go slower to go faster, to take time to create an understanding of the shared meaning of her vision and work out what it would mean for them.” While her external perspective was excellent and important, she would ultimately be frustrated unless she took the time to think through the implications on the structure and the people, he told her.

“She was so intuitive that she made intellectual leaps more easily and further than others....She had it all at an intuitive level but she hadn’t worked out the major moves needed to get there and the capability needed.

“She is one of those folk who wonder why other people can’t hear the music in her head. She is busy dancing while others wonder what she is on.”

One area where Norman Chorn and Penny Carnaby “agreed to disagree” about the new organisational design related to whether or not operational, strategic and customer interface aspects of the Library should all be direct reports to the Chief Executive, effectively giving her a senior leadership team of 11. While Chorn felt a new level of management should be created for the operational side to report to, Penny Carnaby’s view prevailed. Overall, though,

“I think I left the organisation clear about its strategy, the organisational design and structure to move forward...the learning and development programmes to equip people...what individual capability and competency is needed, what does a manager look like?”

As 2008 began, it was over to the National Librarian and her senior leadership team to make the New Generation National Library a reality by matching the organisation to what would be the new open-plan building, and “realigning resources to deliver on the customer-focussed value proposition.”⁶ At the same time, they had to plan for the impending “decant” of Library people and contents.

Penny Carnaby was optimistic about the new organisational design and confident that it should deal a death blow to old silos, facilitating “what we call a nexus approach. You might have someone like [Deputy Chief Executive] Sue [Sutherland], a curator from the Turnbull, or a clever technician from the digital library or one of our

⁶ Annual Report 2007-2008

educators. We define what the issue is that we're trying to solve, and we work on it together.”

As Sue Sutherland said:

“We are in a converged world. So [there is no place for] the kind of boundaries that we put around us in terms of the physical world, so there will be no walls in this workspace. The internal environment needs to match the external environment. If we are talking about joined-up communities we need to be joined-up inside. It is also how you adapt to Generation Y [users].”

People in transition

The 2007-2008 Annual Report described the “People in Transition (PIT) programme” by which “the library must be transformed inside and out if it aspires to be a New Generation organisation; recognising the need for leadership and a culture that encourages excellence and innovation....PIT actively seeks to build people with leadership and change capabilities. [It will] change the underlying culture, the way the Library approaches its work, interacting with each other and its customers.”

In 2007 the Library established the new position of Manager, Organisational Development. The new manager reviewed skills, competencies and remuneration frameworks across the organisation, and conducted a survey that revealed a diversity of cultures within the Library as well as a strong feeling by a number of staff that they had been consulted more than enough and it was now time to see some definite moves forward. There were mixed feelings about the impending building revamp; some were excited by the prospect while others felt it would divert attention from their necessary core business and already heavy workload. Some of these concerns were reduced after a dedicated project manager was appointed.

Briefing to the incoming Minister

In November, 2008, a year into the implementation of the New Generation National Library, a new National-led government was elected. In her Briefing to the Incoming Minister, Richard Worth, Penny Carnaby flagged the unexpected problems with the soil to support the redeveloped building, and said that the Library was “doing everything possible to value manage the building project to meet the allocated budget.”⁷

The Briefing told the minister that an independent baseline funding review commissioned by the Library in 2007 had found sound financial management, and evidence of productivity gains, although more were possible. Critical backlogs in preservation, description and digitisation of heritage materials were “major blockages to the library moving forward” while support areas in the Library were not adequate to support existing operations, or to move the Library to its next stage of development.⁸

⁷ National Library of New Zealand, ‘Briefing for the incoming Minister Responsible for the National Library’ November 2008, p.6 Hereafter “BIM”

⁸ BIM p 20

The paper pointed out the economic and cultural advantages to be gained by the redevelopment of the Wellington building. It would increase public access to its collections, providing more reading spaces to cater for group use, and meeting storage needs to 2026, while attending to the urgent problems of a leaking roof, poor security systems and cool storage facilities that put heritage collections at risk. With visitor numbers estimated to rise from 115,000 visitors a year to 425,000, the new Library could become a cornerstone of tourism in Wellington's Parliamentary Precinct and a greater contributor to the regional economy, Penny Carnaby said.

This was a high-profile and big-spending project being launched at a time when the economic downturn was accelerating and the new government was implementing its election promises to cap public service growth, and examine departmental spending "line by line."

Back in the news headlines

In early February 2009, as Penny Carnaby was appearing before an Education and Science Select Committee, the *Dominion Post* published news that the Library was "ploughing ahead with a major redevelopment, despite growing concerns over the project's viability and a \$20 million funding blowout."⁹ The figures came from "a briefing document to management obtained by the *Dominion Post*."

In further echoes of the acrimonious debate of 1999, anonymous comments described the new building as a "vanity project"¹⁰ and raised concerns about restricted access to the research resource of the Alexander Turnbull Library. These were publicly rebutted by the Chair of the Guardians of the Turnbull, but the airing of the issue highlighted the fact that the move into and back from temporary accommodation to the new building posed challenges on many levels besides the enormous ones of logistics and security.

On 11 February 2009, the National Librarian and the Project Manager took questions from anxious staff about their future in the face of a funding clamp-down. They were assured it was business as usual and a review of the building project had identified areas where costs could be cut – with the loss of some of the additional space – so the project could proceed to the intended timeframe and original budget meeting the core drivers of storage and critical infrastructure.

In a Building Redevelopment Update on the Library's website,¹¹ National Librarian Penny Carnaby reminded readers that "The new Library will upgrade ageing plant, include environmentally sustainable features, and vastly improve collection storage and conditions, ensuring New Zealanders will have access to their heritage for generations to come." A top international collections expert had been engaged to ensure the protection of the collection during the decant period, she said.

⁹ Broun, B, 'Concern over plans for National Library', *The Dominion Post*, 11 February 2009, p3

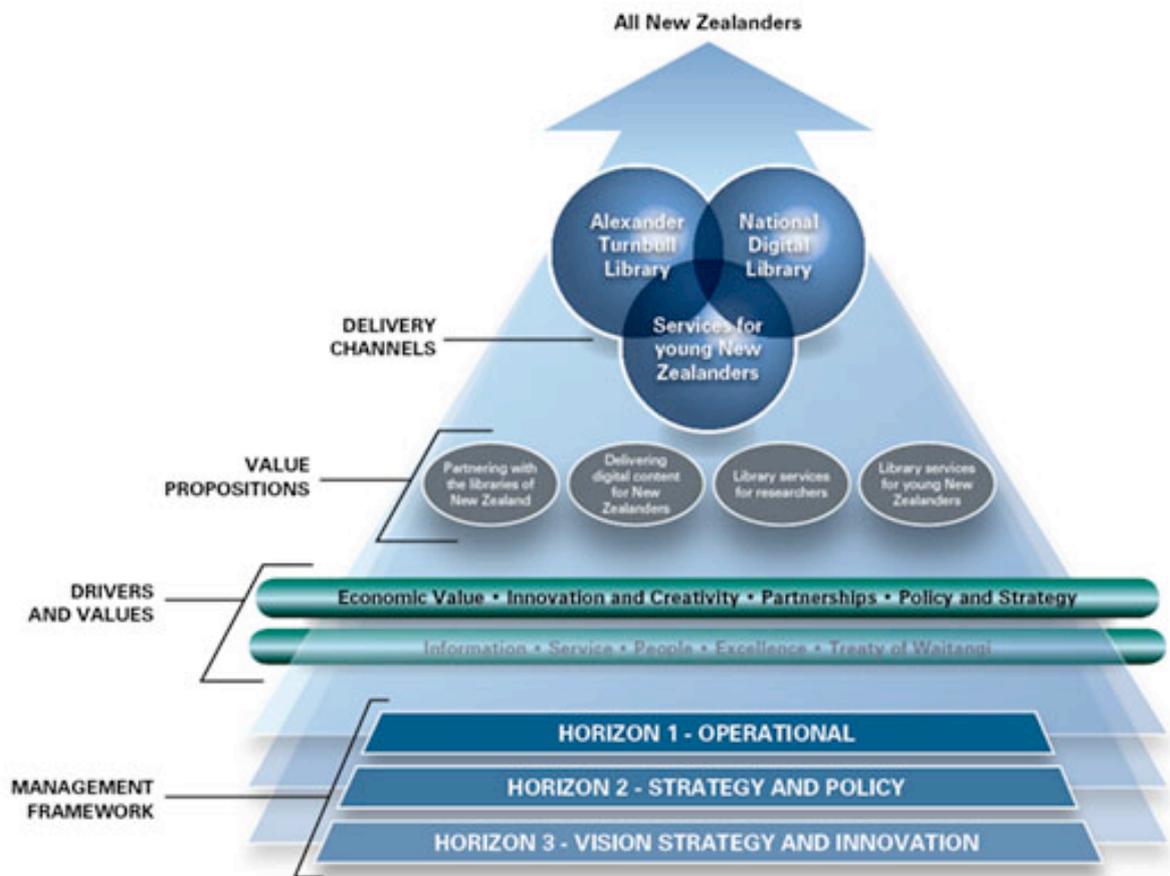
¹⁰ *ibid*

¹¹ www.natlib.govt.nz/about-us/news/16-feb-09-redevelopment-update downloaded 23-02-2009

The rebuild would provide a timely boost for the Wellington economy, with its design and construction “expected to create jobs for almost 400 New Zealanders from 2009 to 2012.”

“The building project is on track, to deliver on time, and within our baseline funding.”

Exhibit 1 : Our Strategic Alignment



Source: New Generation National Library, Strategic Directions to 2017. Downloaded from <http://www.natlib.govt.nz/catalogues/library-documents/strategic-directions-to-2017> on 20 January 2009.

Key value propositions (the four oval shapes above) are:

Partnering with the Libraries of New Zealand
 Delivering Digital Content for New Zealanders
 Library services for researchers
 Library services for young New Zealanders.

Drivers and values are:

(Top line): Economic Value; Innovation and Creativity; Partnerships; Policy and Strategy.

(Lower line) Information: Service; People; Excellence; Treaty of Waitangi.

Exhibit 2: Pan-Library responsibilities

Business areas reporting to Chief Executive/National Librarian according to 2007-2008 annual report

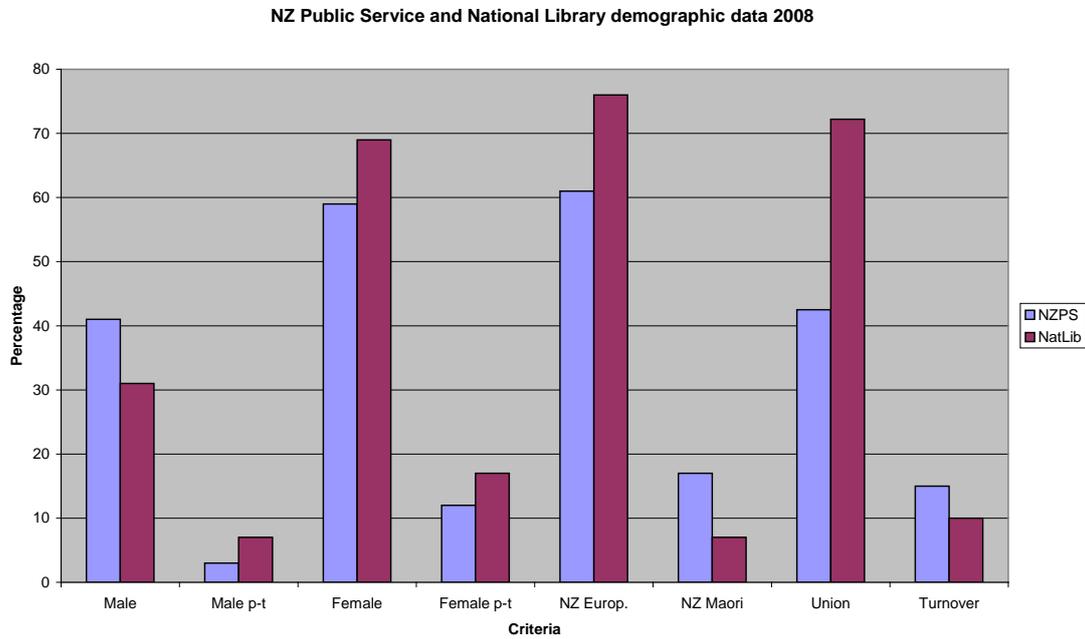
Title	2007-08 Strategic Leadership Group	Direct reports to CE, 2005 BIM 2004 AR	Pan-library responsibility	
Chief Librarian, ATL, and Deputy National Librarian	Chris Szekely	Chief Librarian, Alexander Turnbull Library	Research	Margaret Calder (ret'd 2006)
Director, Content Services	Alison Elliott	Director Content Services	Information strategy	Alison Elliott (2004: director, collection services)
Director, National Digital Library	John Truesdale*	Director, Digital Innovation Services	Strategic relationships	Graham Coe 2004: director of electronic services)
Chief Information Officer, Technology	Ralph Proops			
Director, People Capability	Martin Thomas*	Director, People, culture and resources	Innovation and entrepreneurship	Murray Stevens
Chief Financial Officer	Tony Murray			
Director Strategy, Policy and Communications	Lis Morgan	Director, Policy and Strategic development		Diane Wyber (ret'd 2004)
Deputy Chief Executive	Sue Sutherland	Director, Policy and Information Democracy		Sue Sutherland
Director, Services to Young New Zealanders	Geraldine Howell	Director, School Services	Culture of learning	Geraldine Howell
Kaiwhakahaere Māori (Māori, Pacific, International	John Mohi	Director, Services to Māori	International Relationships	John Mohi
New Generation Implementation Director#	John Ryan			

* No longer in the team as at December 2008. # Position established during 2008.

Exhibit 3: Demographic data

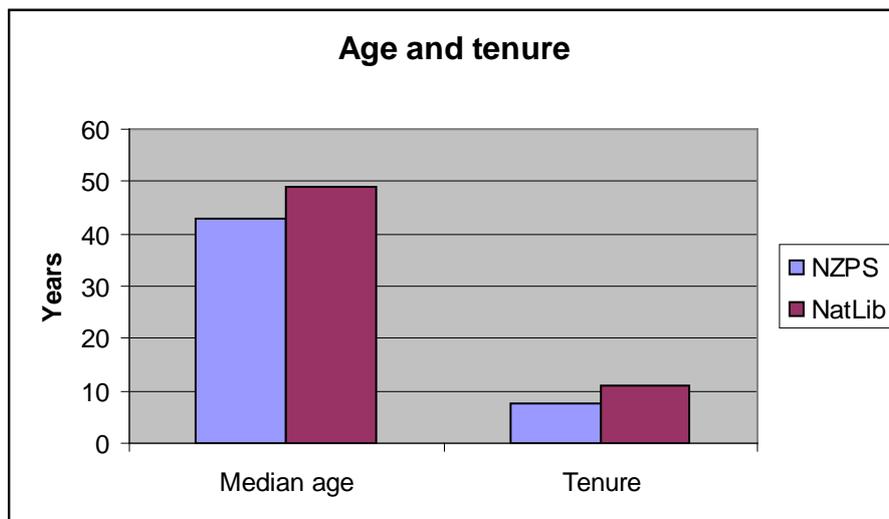
Table 1:

NZ Public Service and National Library workforce composition 2008



Note: "Turnover" is Core Unplanned Turnover, which includes only open term staff, and excludes cessations due to end of contract or restructuring. Union membership is the Public Service Association (PSA).

Table 2: NZ Public Service and National Library Workforce age and length of tenure



Source: National Library of New Zealand and State Services Commission

Table 3: Demographic trends 2004-2008

	2004	2005	2006	2007	2008
Age					
NZPS	42	42	42	43	43
Nat Lib	48	48	48	50	49
% males in workforce					
NZPS	41	41	41	41	41
Nat Lib	29	30	29	29	31
% females in workforce					
NZPS	59	59	59	59	59
Nat Lib	71	70	71	71	69
Ethnicity: NZ European					
NZPS	67	66	64	62	61
Nat Lib	80	79	76	77	76
Ethnicity: NZ Māori					
NZPS	17	17	17	17	17
Nat Lib	9	8	7	7	7
% union members					
NZPS	n/a	44	46	44	42.5
Nat Lib	63	66	71	70	72.2
Average tenure in years					
NZPS	7	7	7.4	11.1	11.1
Nat Lib	10	10	10.4	7.4	7.5
Core unplanned turnover as %					
NZPS	12	13	13	14	15
Nat Lib	8	9	10	11	10

Source: National Library of New Zealand

Table 4: National Library occupation profile 2008 (using State Services Commission Occupation Groups)

Information professionals	47%
Clerical and administrative workers	22%
Managers	12%
ICT professionals and technicians	11%
Other professionals	4%
Advisors and policy analysts	1%
Legal, HR and finance	1%
Other occupations	1%

Source: National Library of New Zealand