

# Issues of Agricultural Management about Employment by Temporary Dispatching of Specified Skilled Workers: From the Standpoint of the Temporary Staffing Company

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## 1. Introduction

Sapporo Agent Co., Ltd., headquartered in Sapporo City, Hokkaido Prefecture, employs and dispatches approximately 190 Indonesian workers, mainly for agriculture in Hokkaido, based on the Specified Skilled Worker system.

In this paper, I would like to discuss the challenges of hiring foreign workers from the standpoint of a temporary staffing company that has dispatched foreigners with the Specified Skilled Worker system and provided management support, mainly in the agricultural sector in Hokkaido.

## 2. Organization and Business of Sapporo Agent Co., Ltd.

Sapporo Agent Co., Ltd. (hereinafter referred to as Sapporo Agent) was established in 2017. As of 2023, the 6th year of the project, we are implementing operations related to farming support in the system of 2 divisions and 4 sections.

Specifically, there are two divisions: the Agricultural Division and the Human Resources Division, and the Agricultural Division has a Dairy Helper Section and a Raw Milk Production Section. The Human Resources Department is home to the Specified Skilled Worker Dispatch Section and the Indonesia Development Section, which are the focus of this report.

Sapporo Agent's first business was the dairy farm helper business. This project dispatches Japanese dairy farm helpers to take care of dairy cows, such as feeding and removing feces, on behalf of dairy farmers when they need time off for ceremonial occasions. This is an indispensable business for Hokkaido's expanding dairy industry.

As the demand for the dairy farm helper business increased, it became difficult to meet the demand sufficiently with Japanese employees alone. At the same time, the government created the Specified Skilled Worker system. Sapporo Agent was one of the first to start dispatching foreign workers with

the Specified Skilled Worker system. It is the first company headquartered in Hokkaido which obtained an approval to dispatch specified skilled foreign workers. It is second in Japan in the livestock sector. In addition to the temporary staffing business license, Sapporo Agent received permission to operate a paid employment agency in 2017. As of February 2023, approximately 190 specified skilled foreigners belong to the Specified Skilled Worker Dispatch Section.

The Raw Milk Production Section leased a farm that had been abandoned and started our own farm, Sapporo Agent Farm, as a subsidiary. The farm actually produces raw milk and is also used as a training farm for Japanese dairy farm helpers and specific skilled foreigners to improve their skills. As of February 2023, they were raising 102 cows.

The Indonesia Development Section of the Human Resources Division is the newest section. Sapporo Agent opened a Japanese language school, Fukutomi, in Indonesia to develop human resources. The Indonesian Development Section is involved in operating this Japanese language school and training Indonesians to become employees.

## 3. The Current State of Labor Shortage and the Significance of Dispatching Specified Skilled Foreign Workers

What we realized through the dairy farm helper project was the reality that there were very few young Japanese who worked or wanted to work in Hokkaido's agriculture.

Sapporo Agent is helping farmers secure labor by expanding the dispatch of the specified skilled foreign workers. As a result, Sapporo Agent has now established a track record of dispatching specified skilled foreign workers to various locations in Hokkaido Agriculture. Here, we introduce some of the actual cases of dispatching specified skilled foreign workers.

For example, many dairy farms that employ the specified

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skilled foreign workers have been accepting foreign technical interns for many years. The reason for switching from the technical intern training system to the specified skilled worker system was to reduce the risks of labor management and troubleshooting in dairy farm management.

In the case of agricultural management that employs specified skilled foreign workers in large numbers of more than 10 people, there is an increasing pattern of employing them not only directly, but also in a dispatch format. This is one of reasons that led to the increase in the number of the specified skilled foreign workers in recent years.

It is also important to think from the perspective of a specified skilled foreign worker. Foreign workers tend to prefer corporate management, where employees' working conditions and job content are clearly defined, over traditional family businesses. As for Sapporo Agent, we will also be arranging foreign workers for management with good employment conditions.

I would like to show an example of an organizational chart for a large-scale farm in Hokkaido in the future, as envisioned by Sapporo Agent. For example, a Japanese employee serves as a work leader or an agricultural machinery operator in each work department of the company, and several foreign workers are placed under them to carry out the work. As Japan's depopulation progresses and it becomes difficult to secure human resources within the region, it will become increasingly essential to employ foreigners with the specified skilled worker system as important workers who support management.

#### **4. Issues in Securing Human Resources in Agricultural Management**

Here, I would like to point out two conditions for agricultural management to employ foreigners with the specified skilled worker system. The first is to improve wage levels in order to stay competitive with international standards. The second is to improve the ability to lead farm operations.

First of all, regarding the wage level, in order to continue to stably employ specified skilled foreigners in the future, I

believe that the monthly salary should be 250,000 yen or more based on the amount paid to the management company. A company will need to pay around 350,000 yen per month per person, including social insurance premiums and benefits such as company housing. This means that foreign human resources are no longer attracted because of low costs and wages.

Until now, the employment in agriculture has been based on the local minimum wage. However, this is no longer the case. In order for Japanese agriculture to secure foreign workers amid international competition, improving wage levels is the most important issue.

Second, what we strongly request from agricultural businesses that employ foreign workers is to improve their operational leadership skills. Until a decade ago, the apprentice system-like teaching method of "watch and memorize" was the norm. However, in the current situation, this teaching method is not applicable.

Specifically, it is necessary to prepare an easy-to-understand work manual and provide specific instructions for carrying out the work. It can be said that teaching employees to "watch and memorize" without a system for employee education is a kind of abandonment of OJT. In such a situation, there is a concern that understanding of the work and duties will not progress, leading to undesirable turnover.

It is also true that creating a business manual is itself a high hurdle for agricultural management, which has traditionally relied on family members to perform the work. Therefore, at Sapporo Agent, we also support the creation of business manuals that are easy to understand even for foreigners, and we believe that we have a role to play in disseminating the accumulated experience to other management.

#### **5. Conclusion**

In order to stably accept foreign workers, the management side is required to firstly establish a wage level that is competitive with international standards, and secondly, to improve labor management capabilities. It is necessary to make work manuals and improve the efficiency of work guidance.