

THE INFLUENCE OF CULTURAL INTELLIGENCE ON PERCEIVED EMPLOYABILITY AMONG UNDERGRADUATES IN MALAYSIA

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Abstract: Cultural Intelligence (CQ) refers to the ability to adapt to a different environment by embracing diversity. In Malaysia, the government always strives to cultivate a better CQ, such as the introduction of a course on Ethnic Relations in universities. Research has shown, however, that Malaysian graduates are still lack this capability, which in turn contributes to high unemployment among Malaysian graduates. This study sought to extend the cultural intelligence literature by investigating the level of cultural intelligence among undergraduates, examine the difference of CQ between undergraduates who have and have not taken the Ethnic Relations course and measure the influence of CQ dimensions and perceived employability. Questionnaire collected from 286 undergraduates in Malaysia were analyzed using Independent Sample T-test and variance-based structural equation modeling (PLS-SEM). Results shown that more than half of the respondents have a CQ at intermediate level and that there is no significant difference in the CQ level between students who have and have not taken an Ethnic Relations subject. The results also indicated that all dimensions of CQ contribute significantly to perceived employability, with the behavioral CQ being the best predictor.

Keywords: *Cultural intelligence; employability; intercultural communication; undergraduates; Malaysia*

INTRODUCTION

Cultural Intelligence (CQ) refers to the ability to adapt to different environments (Earley & Ang, 2003). In general, it indicates the cultural knowledge, understanding and sensitivity of an individual or a group to other individuals or groups of people. As a result, CQ can be seen as one of the primary factors in ensuring adaptability in a diverse environment. According to Earley and Ang (2003), individuals with high CQ have better intercultural communication than others in a multicultural environment, including at the workplace. High CQ facilitates the process of communication in a diverse community (Earley & Mosakowski, 2004) by providing greater adaptation to different cultural contexts (Liu et al., 2011). On the other hand, the low CQ is disastrous for an individual at different levels. It may even lead to ethnic conflict and even worse, tragic events, such as 11 September 2001 (Ang et al., 2011). Researchers also clearly indicated that CQ is essential for employability in a multicultural working environment (Malik et al., 2014; Thomas & Inkson, 2004). However, no study has been found that examine the impact of CQ dimensions on perceived employability in the multicultural context like Malaysia.

Malaysia is a multicultural country made up of cultures of diverse origins, incorporating new forms of unique local expression (Hamzah et al., 2002). Intercultural relations have always been a major challenge to social stability in Malaysia due to their diversity (Lee et al., 2013). Since its independence in 1957, the promotion of integration and better interethnic relations among the people has been the primary objective of Malaysia's government by implementing a variety of policies, including through education. In particular, the aim of the course on Ethnic Relations at universities is to foster interethnic relations between undergraduates and to equip undergraduates with better intercultural knowledge, understanding and experience to face diverse working environment (Aziz et al., 2010).

According to Solomon and Steyn (2017); Haghigatian et al. (2015), high CQ graduates would be more culturally tolerant and successful in their lives. Unfortunately, despite a series of efforts, Malaysia has yet to achieve desirable ethnic relations at different levels. According to Chang and Kho (2017), ethnic relations in Malaysia are "bargaining and negotiating" activities, where each group must consistently negotiate its borders and limits in order to live together in the same environment. After being able to co-exist, the groups begin to negotiate for their own privileges and for better treatment. Since the situation can only be maintained if all groups are satisfied with the status quo, the authors describe the integration level as 'fragile.'

After more than 60 years of independent, interethnic relations still have to be handled like walking on a thin ice because lack of integration and cultural understanding between different ethics. Recently, the Ruler of Perak State also urged Malaysians to be more open-minded in a diverse society at the award ceremony in conjunction with his 63rd birthday. "At present, the nation needs a progressive paradigm that makes it possible for people to feel comfortable and at ease, not harbour prejudices and suspicions, and to have an open mind and to appreciate the diversity of this land" ("Unity agenda still vague after 62 years, Says Perak Ruler," 2019). This phenomenon can be attributed to ambiguity that has remained in the understanding of each other among Malaysians at different levels, both in life and at work (Dooley, 2003; Selvarajah & Meyer, 2008). This is worrying, as it may pose threats to society to varying degrees, from employability in a diverse working environment to the harmony of multicultural society.

Furthermore, in the globalized world, businesses have become competitive, involving diverse interactions, and cultural intelligence has become an important antecedent in organizations where people from diverse cultural backgrounds work together (Moon, 2010; Ruby, 2005; van Woerkom & de Reuver, 2009). Universities are always entrusted with the role

of nurturing employable labor for the industry. However, there are many complaints from the industry that graduates have produced, lack of soft skills, such as adaptability. Consistent with the idea, some new demands for specific soft skills, such as adaptability in different environments, have been highlighted in the latest Hays forecast on Jobs and Skills Trends (2018). To address this issue, the Malaysian government has made a number of efforts, including the implementation of the Malaysia Education Blueprint and the new integrated cumulative system, some of the Malaysian government's efforts to ensure that graduates produced are marketable and address the issue of unemployment among graduates. In Malaysia, the unemployment rate rises gradually from 3.41% in 2017, 3.30% in 2018, 3.31 % in 2019, 4.55% in 2020 and 4.8 % in 2021. Specifically, the number of unemployed youths for age 15 to 30 years old climbed from 17.4 thousand persons to 329.1 persons in April 2021 (Department of Statistics Malaysia, 2021). It is saddening that despite various efforts and high budget spending by the Malaysian government on higher education sector, the issue of unemployment among Malaysian graduates has continued since the late 1990s (Awang-Hashim et al., 2015).

Nirmala and Kumar (2018) attribute this phenomenon to the fact that graduates are not clear about the skills needed in the actual working environment. According to Nirmala and Kumar (2018), a mere possession of technical skills without other relevant skills caused graduates to fail to secure a job in front of their potential employers. Evidence has shown that this situation calls for more studies to be conducted on the issue of unemployment among Malaysian graduates, in order to equip students with the actual skills needed in the industry upon completion of tertiary education. Therefore, this research aims to assess the level of CQ among university undergraduate and to examine the influence of CQ dimensions on perceived employability in a multicultural environment.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Cultural Intelligence (CQ)

Earley and Ang (2003) introduced cultural intelligence (CQ) as an individual's ability to accept the diversity of cultures between different groups, as well as being adaptive and showing appropriate behavior in a diverse environment. According to Schmidt and Hunter (2000), CQ measures the individual's ability to understand and adapt by acting effectively in a diverse setting. CQ was introduced as a 4-dimensional skill, i.e. metacognitive, cognitive, motivational and behavioral, each focusing on different aspects (Earley & Ang, 2003). Each of these four dimensions shows different characteristics that affect the overall level of CQ of an individual.

The first dimension, metacognitive CQ, refers to an individual's higher-order cognitive process in the acquisition and understanding of cultural knowledge, focusing on an individual's competence in planning, monitoring, and mental adaptation to other cultural norms (Ang et al., 2015; Gooden et al., 2017). Individuals with a high metacognitive CQ always question and reflect their own cultural assumptions, tend to adapt to a diverse environment based on cultural appropriateness (Crowne, 2008; Triandis, 2006). A second dimension, cognitive CQ, is the mental functioning of an individual's cultural knowledge gained from education and personal experience (Huff, 2013). This dimension reflects how individuals use self-information and social environments embedded in cultural contexts to embrace the universal facets of different cultures (Ang et al., 2011; Brislin et al., 2006; Earley & Ang, 2003; Presbitero, 2016). Next, motivational CQ refers to an individual's drive and interest to adapt and operate effectively in a diverse environment (Gooden et al., 2017). Research has shown that motivational CQ is significant to improve one's cultural adjustment or adaptability (Lee & Sukoco, 2010; Tsai & Lawrence, 2011).

According to Lin et al. (2018), an individual with a high motivational CQ is able to fit in a multicultural setting and actually enjoys a diverse condition as it helps to improve their adaptability. As individuals receive enjoyment from their intercultural experiences, they are always willing to devote energy and efforts towards effective functioning in a diverse society (Ang et al., 2011). The fourth dimension, behavioral CQ defines the ability of an individual to communicate culturally appropriate, both verbally and non-verbally (Earley & Ang, 2003). According to Crowne (2008), individuals with high behavioral CQ have the ability to modify the content of their verbal messages, their gestures and their social etiquettes according to their respective cultural contexts. All of these 4 dimensions build one's own cultural intelligence, the ability to function effectively in a multicultural environment (Lin et al., 2018).

CQ among Undergraduates in Malaysia

Malaysia comprises of multicultural society. Studies show that Malaysia has yet to achieve the desired ethnic relations objectives at different levels (Welsh, 2020). In Mohd Yusof's (2006) study on social interaction between secondary school students, the study indicated that secondary school students tend to be friends with the same ethnic group and are reluctant to seek help from other ethnic groups, even when they are in need. In addition, at the tertiary level, Salleh and Hussin (2017) indicated that Malaysian undergraduates prefer to sit or train assignment groups with friends of the same ethnic group, despite being in a multicultural environment. Moving up to a higher level, Aziz et al. (2010) found in their studies determining the level of national integration among Malaysians that, although the level of integration among Malaysians remained the same over the years, some instances of interethnic communication are declining. According to the authors, apart from superficial interpersonal interactions in the workplace and in the markets. Structurally, different ethnic groups remain separate from one another. On the other hand, literature has shown that low CQ levels can be disastrous in a multicultural context, as they can lead to ethnic conflicts between people of different cultural backgrounds. Ang et al. (2011) specifically identified the main reason for tragic events, such as 911 incidents due to lack of CQ. In an organizational context, an increasingly diverse cultural context requires organizations to identify and hire employees who are competent to deal with diversity. The role of the CQ has thus become more important as it ensures that organizational members truly take harness of diversity, creating an inclusive environment that recognizes the benefits and challenges of diversity in a diverse working environment (Dalib et al., 2017; Clark & Polesello, 2017). This phenomenon can be attributed to the lack of cultural intelligence among people, as CQ affects the ability to adapt with people of different backgrounds. In the long run, this may pose a threat to society, and this deserves the immediate attention of the various parties, including academic researchers, to look at this phenomenon and, as a result, to make suggestions for improving the situation.

In order to provide a clear picture of the phenomenon, this study intends to examine the level of CQ among the young generation, particularly university students by posing the following research questions:

RQ 1: What is the level of cultural intelligence among Malaysian undergraduates?

Ethnic Relations Course

While Ang et al. (2015) indicated that CQ is an exclusive skill, which should be a natural ability among people, Solomon and Steyn (2017) stated this ability can be possessed through the motivation of an individual to learn and understand other cultures. Sternberg (1985) also indicated that intelligence could be understood, measured and developed in one's cultural

context. Many researchers have investigated the impact of the diverse learning environment on the development of intercultural communication skills among students (Engle & Engle, 2004; Kitsantas, 2004; Tarrant, 2010). It has been shown that students who have studied abroad have a high tendency to develop positive intercultural communication skills. Studies also investigate how students who have studied abroad tend to develop intercultural communication skills (Nguyen, 2017; Scally, 2015). A study conducted by Maharaja (2018) looked at the cultural experience of 150 students studying abroad. He investigated how cultural experience developed the personal attitude and behavior of students. The study found that the diverse environment improves students' understanding of intercultural communication and their own and other cultural sensitivities, making them adaptive to a diverse environment.

In Malaysia, apart from its multicultural campus environment, the Ethnic Relations subject was specifically established to enhance social integration among graduates by stimulating cultural intelligence. The aim of the subject is to promote cultural awareness, to develop cultural knowledge and to create a common identity, irrespective of the cultural and religious background of the people of Malaysia. In both private and public universities, it was made mandatory to encourage interactions between graduates from different ethnic groups. According to Zaid et al. (2010), this Ethnic Relations is hoped to increase the cultural understanding between undergraduates from different backgrounds through topics such as the basic concept of ethnic relations, religion and ethnic relations, culture and ethnic relations, and the challenges of ethnic relations.

According to Crowne (2013), education is one of the antecedents of CQ, suggesting that ethnic relations may help to increase the level of CQ among students. However, after more than a decade of implementation, the effectiveness of the subject remains unclear. Even the Chief Editor of the Ethnic Relations Module, Baharuddin (2008), questioned the effectiveness of the course, as well as its achievement among undergraduates (Sathia, 2012). Therefore, this study intends to answer this question by putting the third hypothesis as follows:

H1: There is a significance difference of CQ between undergraduates who have and who have not taken an Ethnic Relations subject.

The relationship between CQ and Perceived Employability

According to Rothwell et al. (2008), perceived employability is defined as 'the perceived ability to attain sustainable employment appropriate to one's qualification level'. Universities are always entrusted with the maintenance of employable workforce for the industry. However, despite its relatively high budget in the higher education sector, the unemployment rate of Malaysian graduates has been a persistent problem since the late 1990s (Awang-Hashim et al., 2015). Fugate et al. (2004) also asserted that employability is a psychosocially constructed concept.

Aside from subject specific and work related skills, Dench (1997) argues that non-work related skills are vital in determining one's employability. Harvey et al. (2002) stated that adaptability is the key for success in diverse working environment. Nirmala and Kumar (2018) attribute the unemployment issue to the fact that graduates are not clear about the skills needed in the real working environment. In addition, Nirmala and Kumar (2018) also argued that the mere possession of technical skills without other relevant skills caused a lack of job security among graduates. Many complaints arise from the industry indicating that Malaysian graduates are in lack of soft skills. Consistently, the latest HR Asia (2018) highlighted some new demands for specific soft skills, especially adaptability in diverse environments. It is crucial for one to be adaptable in order to be an effective member of an organization (Vandana, 2018).

The lack of soft skills among graduates in Malaysia has become one of the main issues. It has contributed to the low level of employability among graduates (Shukri et al., 2014). One of the key components of soft skills is the ability to adapt to different environments that could be perceived as CQ. Haji Ahmad (1998) discussed the lack of soft skills among undergraduates due to the rote-learning style used in the Malaysian academic system. It therefore leads to a poor development of analytical and critical thinking, which includes the ability to adapt to different environments. This study specifically looks at CQ, which refers to the ability to adapt to diverse environments and their impact on perceived employability (Earley & Ang, 2003). This is particularly important in Malaysia because of its diverse working environment, which consists of people of different cultural backgrounds.

While it is not work related, CQ has been recognized as one of the key success factors in diverse business professional working environment (Alon et al., 2018). In organizational context, studies have confirmed the importance of CQ in team work (Adair et al., 2013), decision-making (Ang et al., 2007), leadership (Groves & Feyerherm, 2011), task performance and leadership success (Alon & Higgins, 2005; Ang et al., 2011), job performance (Barakat et al., 2016) and multicultural team performance (Lin et al., 2018; Van Dyne et al., 2010). Crown (2009) stated that without CQ, individuals could not communicate effectively in a multicultural environment, even if they had good emotional intelligence and social intelligence. In support, according to Sousa and Gonçalves (2017), CQ predicts the employee's passion for work that promotes his or her positive functioning within the organization. In addition, CQ also helps to foster creativity (e.g., Leung et al., 2008; Liu et al., 2011; Livermore, 2011), job performance (Lin et al., 2012; Moon, 2013; Scholl, 2009), and to improve leadership skills (e.g., Ng et al., 2009). In short, in order to ensure that employees function effectively in a diverse context, we need to equip individuals not only with Emotional Intelligence (EQ) and Intelligence (IQ) but also with Cultural Intelligence (CQ) (Ang et al., 2011). Thus, considering cultural intelligence as an attribute that not only enhances the communication skills of individuals in a multicultural context, but also equips individuals with a number of tools that make them a valuable worker at the workplace. By enabling better adaptation to the different cultural environments, CQ equips individuals with the tools necessary to deal with multicultural situations, to make them an employable and to contribute to the success of the organization.

Looking at the dimensions, Duff et al. (2012) also found CQ to be the antecedent of cross-cultural work performance with metacognitive and behavioral CQ to be the most influential. In addition, CQ also influences job involvement and satisfaction with motivational and behavioral CQ's positive impact on adaptive performance. Motivational and behavioral CQ have also been found to improve one's feelings at the workplace. Ang et al. (2007) and Huff (2013) also found motivational CQ to have a significant impact on job adjustment in a multicultural organization. This makes CQ a desirable quality in the hiring process and essential skills that graduates need to equip, especially in a multicultural society like Malaysia.

Cultural competence including CQ enable international students to enhance employability when looking for work in Australia (Nguyen & Hartz, 2020). They further argue successful performance of the different dimensions of cultural competence can help international students to search for jobs in Australia. In addition, Chen (2015) conducted a study to assess the role of cultural intelligence, psychological well-being and employability among Taiwanese indigenous college students. The findings indicated CQ is positively contributed to perceived employability. This study, therefore posits the second hypothesis as follows:

- H2: CQ dimensions are positively influencing perceived employability.
- H2a: Metacognitive CQ is positively influencing perceived employability.
- H2b: Cognitive CQ is positively influencing perceived employability.

H2c: Motivational CQ is positively influencing perceived employability.

H2d: Behavioral CQ is positively influencing perceived employability.

METHODOLOGY

Participants

The study adopted a quantitative survey method. The study sample was drawn from two private universities and two public universities undergraduates from different states in Malaysia by using simple random sampling. The sample size was calculated using G-Power, based on the number of predictors, and a minimum of 129 respondents are suggested. However, the recent study increases the sample size to 400 to reduce the issue of generalizability.

Google form was created and a link was sent to 400 undergraduates from two public universities and two private universities, 100 undergraduates for each university via email. The data collection process has been completed after three months. 286 completed questionnaires were used for analysis of the data, a return rate of 71.5 percent. Among the respondents, more than half (64.3%) were females. 62.6% of the respondents were currently attending private universities while 37.4% were from public universities.

Measurements

Cultural Intelligence Scale (CQS) consisted 20 items was adapted from Ang et al. (2007). Out of the total items, four items measured metacognitive CQ, six items measured cognitive CQ and five items measured motivational CQ and behavioral CQ respectively. Perceived employability scale was adopted from Rothwell Herbert et al. (2008). The items were measured via a 10-point Likert-type scale, asking respondents to indicate their level of agreement (1= Strongly Disagree to 10= Strongly Agree). Pilot testing of the questionnaire indicated that cultural intelligence scale met the threshold value recommended by Nunnally (1967) with a value of .931. For each dimension, metacognitive CQ achieved .79, cognitive CQ and motivational CQ .90 and behavioral CQ .91. The alpha value of Cronbach for perceived employability scale was reported at 0.88.

Data Analysis

The data analysis was then performed by using the IBM SPSS 22 statistical software and SmartPLS. Firstly, descriptive analysis was performed to assessed the level of CQ among the respondents. Secondly, the Independent Sample T-test was used to test the difference in CQ between respondents who took the subject on Ethnic Relations and yet to take Ethnic Relations in their undergraduate programme by using SPSS software.

FINDINGS

The results in Table 1 shows more than half (66.4%) of respondents reported a CQ at intermediate level while respondents with low CQ reported at 9.1 percent.

Table 1: Distribution of the level of CQ among undergraduates

Level of CQ	Frequency (n=286)	%
Low (<101)	26	9.1
Intermediate (102-150)	190	66.4
High (>150)	70	24.5

Based on Table 2, the significant value for four dimensions of CQ values were higher than the significant level ($p > 0.05$), therefore, the results showed there is no significant difference between undergraduates who have, and have not, taken Ethnic Relations in their overall CQ and the four dimensions of CQ.

Table 2: Independent Sample T-Test for CQ between undergraduate who have taken (N =226) and Have Not Taken (N=60) Ethnic Relations

Variables	mean	t-value	p-value
Cultural Intelligence (CQ)			
Taken	6.70	.301	.64
Not Taken	6.64		
Metacognitive CQ			
Taken	7.28	.651	.52
Not Taken	7.15		
Cognitive CQ			
Taken	6.13	.934	.35
Not Taken	5.92		
Motivational CQ			
Taken	6.89	-.675	.50
Not Taken	7.05		
Behavioral CQ			
Taken	6.75	.144	.89
Not Taken	6.72		

Furthermore, PLS-SEM technique was employed to analyze the influence CQ dimensions on perceived employability. According to Hair et al. (2021), PLS-SEM approach involves two stages which were firstly, assess the measurement model (i.e composite reliability, convergent validity, and discriminant validity); secondly, assess the structural model (i.e path coefficient, coefficient of determination, f^2 effect size, and predictive relevance).

Measurement Model Assessment

Measurement model was assessed using reliability analysis, convergent validity, and discriminant validity. The composite reliability was reported between 0.895 and 0.944, exceeded the threshold values of 0.70. Next, convergent validity was examined using items

loadings and average variance extracted (AVE). The items factor loadings from this study ranged between 0.642 and 0.895, while AVE values ranged between 0.513 and 0.732, surpassing the recommended value of 0.50. The results were presented in Table 3. Lastly, discriminant validity was evaluated with heterotrait-monotrait ratio of correlations (HTMT) score for each latent construct. The value of < 0.85 denoting acceptable discriminant validity. Therefore, composite reliability, items loadings, AVE and HTMT values were achieved as recommended by (Hair et al., 2021). Table 4 shows the results of HTMT.

Table 3: Reliability and validity of measurement model

Construct	Item	Loadings	CR	AVE
Metacognitive CQ	MCQ 1	0.870	0.895	0.681
	MCQ2	0.863		
	MCQ3	0.828		
	MCQ4	0.732		
Cognitive CQ	CCQ1	0.642	0.910	0.631
	CCQ2	0.772		
	CCQ3	0.822		
	CCQ4	0.823		
	CCQ5	0.826		
	CCQ6	0.860		
Motivational CQ	MCQ1	0.818	0.927	0.717
	MCQ2	0.864		
	MCQ3	0.847		
	MCQ4	0.832		
	MCQ5	0.873		
Behavioral CQ	BCQ1	0.831	0.932	0.732
	BCQ2	0.846		
	BCQ3	0.829		
	BCQ4	0.895		
	BCQ5	0.875		

Table 4: Discriminant validity (HTMT)

Construct	1	2	3	4	5
Behavioral CQ					
Cognitive CQ	0.673				
Metacognitive CQ	0.654	0.682			
Motivational CQ	0.691	0.669	0.684		
Self-perceived employability	0.621	0.593	0.609	0.614	

Structural Model Assessment

The structural model was assessed by using bootstrapping with 5000 subsample. Table 5 shows behavioral ($\beta = 0.241$, $t\text{-value} = 3.048$, $p < 0.01$), metacognitive ($\beta = 0.194$, $t\text{-value} = 2.432$, $p < 0.05$), motivational ($\beta = 0.212$, $t\text{-value} = 3.302$, $p < 0.01$), and cognitive ($\beta = 0.158$, $t\text{-value} = 2.403$, $p < 0.05$) were positively influence perceived employability. In addition, R^2 value of .454 indicated a substantial explanatory power for perceived employability (Cohen, 1988). Furthermore, f^2 value between 0.024 and 0.053 indicate small effect size on the strength between cultural intelligence dimensions and perceived employability. Lastly, predictive relevance assessment was completed via blindfolding technique and it was reported at 0.224.

According to Hair et al. (2021), Q^2 value exceeding zero showed endogenous constructs possess predictive relevance.

Table 5: Assessment of hypotheses testing

Hypothesis	Std beta	Std error	t-value	p-value	VIF	f^2	R^2	Q^2
H2a: MetaCQ → PE	0.194	0.080	2.432	< 0.05	1.849	0.067	0.454	0.224
H2b: CCQ → PE	0.158	0.066	2.403	< 0.05	1.937	0.024		
H2c: MotCQ → PE	0.212	0.064	3.302	< 0.01	2.047	0.040		
H2d: BCQ → PE	0.241	0.079	3.048	< 0.01	1.994	0.053		

Note: MetaCQ: Metacognitive CQ; CCQ: Cognitive CQ; MotCQ: Motivational CQ; BCQ: Behavioral CQ; PE: perceived employability.

DISCUSSION

This study supported the hypotheses of the study which provide insights into the influence of cultural intelligence on perceived employability. In this study, RQ1 measured the CQ level among undergraduates in Malaysia. Based on the overall score, the present study categorized the CQ level as low (<101), intermediate (101-150) and high (>150) and found that the majority of undergraduates (66.4%) had an intermediate CQ level, followed by 24.5% with a high CQ level.

While this finding is not too troubling, based on previous studies, we should not be satisfied with this average performance. For example, Ong (2017) stated that although different groups in Malaysia appear to be more integrated, covert and unspoken strains remain between each other. This reminds people not to be comfortable with superficial, merely functional interethnic relations, and urges action to be taken to improve the level for the good of the country and people including the younger generation. Running in the same vein, another earlier study by Aziz et al. (2010) expressed the same concern in their study when they found that the level of integration between different ethnic groups in Malaysia was at the critical level. The authors pointed out that while the levels remained when the same study was carried out in 1993 and 2007, the 2007 study showed that some instances of interethnic communication were declining (Aziz et al., 2010). Again, this emphasized that we should not be satisfied with the ‘intermediate’ or merely functional level of integration in Malaysia. The results of RQ1 should therefore serve as a wake-up call for both the people and the authorities to make more efforts to improve the level of CQ among undergraduates, the future of the country’s leaders.

The findings for H1 show that there is no difference in CQ between students who have taken the Ethnic Relations subject and those who have not. This clearly shows that the objective of the Ethnic Relations subject, which aims to cultivate the cultural knowledge, awareness and sensitivity of others among undergraduates in Malaysia (Malaysia Education Blueprint, 2015-2025), has not been achieved. Although disappointing, this result is not surprising, given that different sources have raised concerns about the outcome of the course to improve students’ cultural intelligence. First, the leader of the Ethnic Relations subject, Baharuddin (2008), questioned the outcome of the course delivery method, stated that students are still in groups within their own cultural group in the Ethnic Relations subject, and many perceived the subject as boring and time consuming (Sathia, 2012). It was clear, according to him, that the subject was not treated seriously and that the delivery of the course had defeated the objective of the course. Therefore, the way the course was taught at the level of tertiary education needs to be reconsidered.

The impact of CQ dimensions on perceived employability is tested by H2. It has been found that all dimensions having a significant impact on perceived employability. Behavioral CQ, which indicates that the interest to be adaptive and to communicate effectively in a diverse environment has had the most significant impact on perceived employability, followed by motivational CQ, metacognitive CQ and cognitive CQ. This finding supports Duff et al. (2012) who found CQ to be the antecedent of cross-cultural work performance with metacognitive and behavioral CQ to be the most influential. With the higher cultural adjustment, one will be able to adapt to the dynamic working environment as they tend to learn other's cultures and react accordingly (Ang et al., 2007). However, in Malaysia context behavioral CQ proved to be the most significant dimension that has the most impact on perceived employability.

This study adds to the existing body of knowledge on cultural intelligence by validating the 20-item Cultural Intelligence Scale (CQS) in a multicultural context. The findings on the level of CQ among graduates have contributed to the understanding of cultural intelligence that has been neglected in the multicultural context of Malaysia. Interestingly, it could be one of the solutions to solve the unemployment problem not only in Malaysia but also in other countries. The intermediate level of CQ clearly indicates that more effort is needed to improve the level of cultural intelligence among undergraduates in Malaysia and Behavioral CQ has the significant influence on perceived employability in Malaysia context which can be used to formulate effective communication strategies, including government policies. According to Nguyen and Hartz (2020), develop an intercultural competence training for undergraduate that aims to promote employability is a need for tertiary educational institutions.

Looking at the wider perspective, understanding the globalization process requires students to be able to work in a multicultural setting ensures students are employed. Consistent with the notion, some universities such as Rikkyo University, Kobe University, Shoin University and Ryukoku University have developed faculty specially dedicated to intercultural communication education to ensure graduate employability in the future. For instance, Faculty of Intercultural Communication at Ryukoku University, Kyoto. As clearly stated on its homepage (Ryukoku University, 2014), the faculty "offers a curriculum that aims to develop and train individuals who are able to accept and respect different cultures, and have the ability and character to engage in international communication in a diversifying global society based on an understanding of their own cultures.". According to Ryukoku University (2014), approximately 40% of the student population in the faculty is made up of international (foreign) students. This suggests that Japanese and international students alike are provided with an ideal environment in which they can participate in intercultural communication on a daily basis.

The present study has an important impact on the subjects offered at the university level, in particular the Ethnic Relations subject, which aims to foster intercultural understanding and experience. The present study has confirmed that the high level of CQ is extremely important for the perceived employability of Malaysian graduates. Graduates with high CQ are found to be adaptive and able to communicate effectively in a multicultural environment. In addition, graduates with a high CQ level are found to be more confident in communicating with others from different cultural backgrounds and to be more employable (Earley & Ang, 2003). The study suggests that CQ has significant practical implications for the development of cultural intelligence labour demanded by the industry and for the reduction of unemployment rate among graduates.

Future directions and conclusions

This study examines the cultural intelligence of undergraduates by measuring the level of their CQ, the impact of the Ethnic Relations subject on CQ, and the influence of CQ dimensions on perceived employability. Based on the findings of the three research questions, this study draws the main conclusion that, given the importance of CQ in perceived employability, it is

necessary to examine the existing curriculum design in order to improve the level of CQ for undergraduates.

According to Malaysia's Department of Statistics (2019), the number of unemployed graduates in Malaysia rose from 154.9 thousand in 2017 to 162 thousand in 2018. The situation is becoming more worrying as the title of the article dated 3 February 2020 reads "More and more graduates are facing unemployment in Malaysia" (D'Silva, 2020). One of the reasons identified for this phenomenon is that universities are unable to equip graduates with the soft skills that the industry expects. This reflects the 'intermediate' level of CQ among undergraduates as well as the inability of the Ethnic Relations subject to cultivate intercultural knowledge and awareness among university students.

This study would suggest that future studies consider the possibility of providing a more practical approach for undergraduates, rather than a theoretical approach, to the Ethnic Relations subject to improve cultural intelligence among undergraduates. According to Tamam and Abdullah (2012), in addition to the Ethnic Relations subject, further efforts should be made to improve intercultural experience among undergraduates. Ala-Louko (2017) also stated that actual intercultural experiences are more effective in improving ethnic relations than learning through classroom teaching. This study therefore urges more research to re-examine the conduct of ethical relations as well as to explore more effective ways of developing the intercultural competence of cultivate students. Graduates who are able to harness intercultural skills will definitely be more employable, as they will be able to adapt to the challenging multicultural environment.

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