



## **Creative Destruction and Employee Well-Being**

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We examine the effects of establishment and industry -level labor market turnover on employees' job satisfaction and perceived job insecurity. Our linked employer-employee panel data contain both information on employees' subjective well-being and register-based information on job and worker flows. The results show that job destruction and worker outflow measures reduce job satisfaction and, especially, perceived security. These effects are much weaker when the individual-specific fixed effects are taken into account. The evidence also reveals that the establishment-level job and worker flows do not translate into higher wages. These findings speak against the existence of compensating wage differentials for job uncertainty.

**Keywords:** Job Flows; Worker Flows; Job Satisfaction; Perceived Security; Job Instability.

**JEL Code:** J28, J63.