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TRUMP PICKS FAST-FOOD EXECUTIVE ANDY PUZDER AS NOMINEE FOR LABOR SECRETARY

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President-elect Donald Trump on Thursday named fast-food executive Andy Puzder as his choice for labor secretary.

Mr. Puzder, chief executive of CKE Restaurants Holdings Inc., the parent company of the Carl's Jr. and Hardee's burger chains, has been a vocal advocate for cutting back regulations he says have stifled growth in the restaurant industry, which represents 10% of the American workforce.

An adviser and contributor to Mr. Trump's campaign, Mr. Puzder has criticized the Affordable Care Act and argued against raising the federal minimum wage higher than $9 an hour. Democrats have called for raising the federal minimum wage to as high as $15, alongside union groups that have waged a campaign to push pay floors higher at the state, local and federal levels.

In a statement, Mr. Trump said Mr. Puzder "will fight to make American workers safer and more prosperous," and also "save small businesses from the crushing burdens of unnecessary regulations that are stunting job growth and suppressing wages."

Mr. Puzder said: "The president-elect believes, as do I, that the right government policies can result in more jobs and better wages for the American worker."

If confirmed by the Senate, Mr. Puzder would be faced with handling a string of regulations the Obama administration pushed through over the past several years in an attempt to boost workers' wages and rights as a way to expand the middle class and narrow income gaps between the lowest and highest earners.

The fast-food executive would steer the department amid a clash between the business community and worker-advocacy groups over whether more regulation helps or hurts the economy. Business groups and employers have criticized the Obama administration for turning to regulation they say stunts their growth and chills employment, while unions and their allies have applauded administration officials for updating and implementing new rules they say are long overdue to increase workers' standards of living.

The Labor Department under President Barack Obama finalized a rule that would qualify millions more Americans for overtime pay. The administration also completed a rule, since effectively killed by a federal judge in Texas, that would have given unions and workers more insight into talks employers have with legal counsel about thwarting union-organizing campaigns.

President Obama also signed a variety of executive orders aimed at helping Americans better balance their duties at work and home and fight workplace pay discrimination. One order increased the minimum wage for employees working on federal contracts and another required federal contractors to offer paid sick days. In September, the administration completed new requirements on businesses to provide employee pay data by gender and race.

Mr. Puzder could push to roll back some regulations or choose to enforce them less rigorously.

The overtime-pay rule, which was set to take effect Dec. 1, was put on hold when a federal judge issued a preliminary injunction last month, ruling in favor of business groups and nearly two dozen states that filed lawsuits alleging the government had overstepped its authority with certain provisions in the rule. The Labor Department is appealing the ruling.

Even without additional court action on the overtime rule, it could face a potential challenge from President-elect Trump and his Labor Department. Mr. Trump hasn't commented specifically on the regulation but has said he would roll back business regulations he thinks harm the economy.

While Mr. Puzder could use the bully pulpit to warn against substantial increases in minimum wages, he wouldn't have the power to roll back the wave of increases in states and localities over the past two years such as in Seattle, Washington, D.C., and New York.

In November, minimum-wage increases were approved across four states, putting that issue and others intended to support lower-wage workers back on the table.

Critics were swift to denounce Mr. Puzder as a choice for labor secretary.

"With Mr. Puzder, the fox is in the hen house," said Rep. Rosa DeLauro (D., Conn.), the ranking Democrat on the House subcommittee that oversees funding for the Labor Department. "His nomination represents the greatest assault on workers that we have seen in a generation.

The National Employment Law Project, a union-backed group that advocates for low-wage workers, said Mr. Puzder would take sides against them.

"It's hard to think of anyone less suited for the job of lifting up America's forgotten workers," said NELP Executive Director Christine Owens. "Puzder will be there for his low-wage-industry CEO buddies, who are now salivating over the prospect of rolling back the Obama administration's efforts to raise pay for low-wage workers, improve workplace safety, and increase corporate accountability."

Mr. Puzder is on the board of the International Franchise Association, a trade group that has criticized the Obama administration for "attacking" the franchising model by implementing regulations it says stunt job growth.

"If we had more leaders like that in the business community I think we'd have more leverage fighting back against some of the regulations we've seen under the current administration," said Matt Haller, a spokesman for the franchise trade group.

The burger chains Mr. Puzder oversees have a combined 3,750 locations in 44 states and 40 countries and U.S. territories. Mr. Puzder has served as chief executive officer of the company since September 2000. Long based in California, the company is in the process of consolidating its corporate headquarters in Nashville. Roark Capital owns CKE, having purchased the company from Apollo Global Management LLC in December 2013.

Mr. Puzder has written opinion pieces for The Wall Street Journal on topics such as the negative effects of President Obama's health-care law and of broad increases in minimum wage.

Including franchisees, CKE has about 75,000 employees in the U.S., and nearly 100,000 world-wide, with total sales of more than $4.3 billion.

—Eric Morath contributed to this article.