THE LANGUAGES OF ACTIONS, FORMAL GRAMMARS AND QUALITATIVE MODELING OF COMPANIES

VLADISLAV B. KOVCHEGOV

Abstract. In this paper we discuss methods of using the language of actions, formal languages, and grammars for qualitative conceptual linguistic modeling of companies as technological and human institutions. The main problem following the discussion is the problem to find and describe a language structure for external and internal flow of information of companies. We anticipate that the language structure of external and internal base flows determine the structure of companies. In the structure modeling of an abstract industrial company an internal base flow of information is constructed as certain flow of words composed on the theoretical parts-processes-actions language. The language of procedures is found for an external base flow of information for an insurance company. The formal stochastic grammar for the language of procedures is found by statistical methods and is used in understanding the tendencies of the health care industry. We present the model of human communications as a random walk on the semantic tree.

Keywords: organisms, organization, automata, formal languages, formal grammars, theory of actions, social systems, semantic space, model of communication, random walk.

Introduction

This paper is dedicated to the modeling of an organization. First of all, we would like to clarify what modeling means. If a person or groups of people use some process or device, he/she or they may know what kind of language this process uses. For instance, a lot of people use cars every day. They have to keep in mind a lot of information about cars; the kinds of sounds and/or vibrations that are normal for the engine and so on. Very often cars have personal characteristics. For example, before you start the engine on you may have to pull some wire to get the vehicle started. All of these attributes could be considered as a language by which the car speaks to you. More often than not it is likely that a driver does not know how a car transfers the chemical energy from the fuel into the mechanical movement of the vehicle, but they definitely know something about the cars language.

So, every process or device communicates with us and uses some language. Sometimes this language is very primitive, but other times the process speaks to us by using a very complex language. In this paper we will explore the process of interaction between patients and doctors, which is characterized by its own language. This type of language (the language of procedures) has a grammar and we will use this formal grammar to generate predictions. Simultaneously, this language can be used as a model for professional activities of a company’s employees. This means that in the future we can use self-learning grammar as a model of professional activity. In the general case the processes do not communicate with us directly. There exist certain technologies and/or devices between a process or groups of processes, and a person or groups of people. For example, a car is a device, which transfers chemical energy into mechanical movement. So when we say that a process communicates with us this means that a device (a car), which uses a given natural process of converting chemical energy into motion communicates with us. In this paper we model human illnesses...
as communication with us through the language of procedures. Thus for us an insurance company is a device, which transfers real processes (illnesses) into a language of procedures. For different industries, human beings use different technologies and/or devices. So every device is a function of the set of processes and technologies. The paper (Kovchegov, 1977) contains information about the language of technologies.

The idea to use the formal grammar for strings of action (Chomsky, 1963; Miller and Chomsky, 1963; Novakowska, 1973a) was developed in the work of Novakowska, (1973a, b), Paun (1976), Scortaru (1977), and Skvoretz, Fararo (1980). Skvoretz (1984) assert that for human action, grammar is either an automaton or a regular type. This means that for all sequences of human action there is a finite automaton, which generates the same set of words that was generated by the formal grammar. The alphabet, which Skvoretz and Fararo use, includes the finite numbers of acts and tests. Among human actions, actions are not only very important, but all conditions (tests) as well. As every person knows, human actions and the order of human actions depend on a huge number of conditions. This is the main reason why the author uses Ianovs schemes (Ianov, 1958). The second reason is the existence of a canonical form for Ianovs schemes. Ianovs schemes are invited by Lyapunov, 1958 and Ianov, 1958 as a model of a computer program. Ianov describes an algorithm that can recognize when two programs are identical. Ianovs schemes can be realized (Rutledge, 1964) as a type of automata. However, not every formal language can be realized as an automaton.

The natural languages analyzed bring out many interesting ideas. One of these is the conceptual dependency theory (Schank, 1975). The central focus of Schank’s theory has been the structure of knowledge, especially in the context of language understanding. Schank (1975) outlined the contextual dependency theory that deals with the representation of meaning in sentences. Building upon this framework, Schank and Abelson (1977) introduced the concepts of scripts, plans and themes to handle story-level understanding. Later work (e.g., Schank, 1982,1986) elaborates the theory to encompass other aspects of cognition. The key element of the conceptual dependency theory is the idea that all conceptualizations can be represented in terms of a small number of primitive acts (only eleven!) performed by an actor on an object. The set of primitive acts is divided into four groups. The first group is the set of acts performed by human being: PROPEL, MOVE, INGEST, EXPEL (expel something from human being), GRASP (grasp an object). The second group of acts includes two acts: change position of object (PTRANS) and change abstract connections between objects (ATRANSE). The third group consists of SPEAK, and ATTEND. The last group contains two mental acts MTRANS (mental transfer of information), MBULD (create and combine thoughts). Any object has a set of states that are represented by scales. There are a few scales: health, fear, anger, mental state, physical state, consciousness, hunger, disgust, and surprise. Acts must change the state of an object. The conceptual cases, rules, categories, conceptual syntax and so on are elaborated as well. The books [6-8] contain not only whole descriptions of how conceptual dependency theory works, but more as well.

Obviously for the modeling of organizations eleven personal human acts and human feeling scales are not enough. We have to increase the list of acts and actions, and add additional new concepts. But Schanks language of acts and more general language of actions enable us to make qualitative (not quantitative) approaches to modeling of human activities and organizations. We plan to use the language of acts and actions (joint or group acts) as a base for the modeling of some features of real organizations. So we do not pretend to present a model of whole organizations or some formal model of whole organizations. We
want to only find the type of language input flow presents and what kind of connections exists between input flow and an organization. We try to find a formal description of the language hidden in input flow. It is clear to us that knowledge about input flow is not enough for the modeling of a whole company. If we want to get a whole model of the organization we cannot escape from using tools of Informational Technology (we plan all external and internal informational flows, calculate density, entropy and another informational flows characteristics). So essentially we have a more modest aim. The main idea of the presented manuscript is to learn non-traditional languages as a language of meaning (language of actions, semantic tree), actions, parts and actions, body-gesture language and so on using the traditional formal languages.

Let us express hope that when all languages hidden in external and internal flows of organizations are found we may start to do a more exact and formal conceptual model of the whole organization. This, however, is a long-term problem.

The second linguistic concept that will be used for modeling human behavior is the semantic tree. Ideally all formal acts and group actions must change the state of objects and make a trace on the semantic tree or space of a whole company. In this article we do only a small step in the desirable direction. The behavioral model of human communication as a random walk on the semantic tree is done. In this model we try to use properties of human beings for mathematical modeling and we understand how weak and controversial this is. The staff, a most hard and controversial object for modeling, is the main part of an organization.

In reality we can explain what organizations do by using few words of natural languages. This does not take very long to do. So our main problem is to create the conceptual language that helps us describe what organizations do by using some conceptual code of organization still not done. Sometimes, however, input language helps us deduce the companys structure (see part-processes-actions language).

This article is divided into three parts. The first part is dedicated to the general problems of formalization and modeling of a company. Section 1A contains general information about formal languages, automatons, and Ianov schemes. We then proceed by describing a model of a company. This description can be transformed into mathematical terms. The main idea of this article is to represent a model of a company as a flow of words consisting of an unusual alphabet. For instance, using the alphabet of car parts, where the car parts consists of car terminology (rims, hood, nuts, etc.). The letters in this alphabet are the name of parts, natural processes, and human actions. The language of shape and the descriptions of conditions enable us to make very realistic models of companies. The connections between conditions for using natural processes and shells, that create normal conditions for processes and keep processes in a given range, give the model good predictive power. The concept of semantic space for industrial activities help us preserve the meaning. The third item of section one contains a verbal description of the semantic space and a verbal model of communication. This description will be used in section two.

Section two contains mathematical models of human conversations, and helps us understand the concept of semantic space. For a description of human activities we have to obtain information about groups of actions, consisting of actions that use natural processes/devices that limit them to a given range. These actions give (endue) a person or groups of people the ability to control these processes. The last types of actions are actions that strictly use human abilities. Humans think, speak, write, read, and so on. For a formal representation
of the type of action, it is helpful to use Ianovs schemes. Formal languages are used to give a formalization of the second type actions.

Section three contains a complete description of the procedures language and the grammar for input flow of an insurance company. The process of interactions between patients and doctors (the main process in this section) communicate with the organization that controls it. The main goal of an organization is to keep this process within a given range. So for our device, an insurance company is the process that keeps the process within a given range. To construct this semantic model of input flow, we use the alphabet of the types of procedures performed on the patients with the given chronic disease. For instance, the alphabet for diabetes contains 34 letters. The history of the disease might be represented by a short word in a given alphabet and appears like A\_ANDR S4 S2, where A\_, AN, \ldots \_, S4, S2 are letters of the alphabet of the disease. The study of information for five years shows that the structure of short words has a tendency to change. To model this tendency we use conditional probability. The conditional probability is found from the data. Then using a computer simulation, we calculate a set of pseudo-random short words. The next problem is to generate the set of pseudo-random long words. The long words may appear like A\_12AN-1DR-17 S4-1 S2-1, where the number following each letter is the frequency of encountering this letter. For this purpose we find the conditional probability \( \Pr(X = \text{long word} | X = \text{short word}) \) and then generate a set of pseudo-random long words. The list of long words and the list of normative prices for procedures give us the ability to calculate the mean, harmonic, minimal and maximal prices for all diseases.

1. THE GENERAL PHILOSOPHY FOR MODELING A COMPANY. THE LANGUAGE OF ACTION: FORMAL GRAMMAR AND IANOVS SCHEMES OF A PROGRAM.

A. TOOLS FORMAL GRAMMAR, FINITE-STATE MACHINE (AUTOMATA) AND IANOVS SCHEMES OF PROGRAMS.

In this subsection we will describe all the mathematical, or more precisely, computer science or cybernetic tools. The formal languages are based on the formal grammar. The formal grammar \( G \) is given by the quadruplet \( \langle N, T, P, S \rangle \) where \( S \) is the root or start symbol, \( T \) is the set of terminals symbols, \( N \) is the set of non-terminals symbols, and \( P \) is the set of grammar rules, substitutions, or productions. The alphabet \( V \) is the union of \( T \) and \( N \), where in the general case the alphabet is a set of arbitrary symbols. The root symbol belongs to the alphabet \( V \). Let us use the symbol \( V^* \) for all words generated by the alphabet \( V \). For instance, if \( V = \{ a, b \} \), then \( V^* = \{ \text{Em, a, b, aa, ab, bb, ba, aab, \ldots} \} \) where the empty word set is denoted by \( \text{Em} \). The non-terminal symbols correspond to the variables, and the terminal symbols correspond to the words of natural language. The set of grammar rules is the set of expressions \( a \rightarrow b \) where \( a \) and \( b \) are words from \( V^* \) and the word, \( a \), is not empty. The formal language generated by the grammar \( G \) is denoted by the symbol \( L(G) \).

For example: Suppose we have the grammar \( G = \langle N, T, P, S \rangle \), where \( N = \{ S \} \), \( T = \{ a, b \} \), and \( P = \{ S \rightarrow aSb, S \rightarrow ab \} \). We first use the substitution a few times to get \( S \rightarrow aSb \rightarrow aaSbb \rightarrow aaaaSbbbb \rightarrow \ldots \). Using the second rule, we get the set of words generated by the formal grammar \( G \) (grammar inference): \( \text{ab, aabb, aaabbb, aaaaabbbb, \ldots} \). So, \( L(G) = \{ \text{ab, aabb, aaabbb, aaaaabbbb, \ldots} \} \).
The grammar rules $P$ defines the types of grammars. There are a few types of grammars: unrestricted, context-free, regular or automata and so on. The regular (automata) grammar consists of two types of sets of productions: $A \rightarrow aB$ and $A \rightarrow a$, where $A, B$ are non-terminal symbols from $N$, and $a$ is a terminal symbol from $T$. A finite-state automata (machine) can realize the regular grammar.

The stochastic language is a language generated by stochastic grammar. The stochastic grammar is the quintuple $\langle N, T, P, Q, S \rangle$, where $N, T, P, S$ are the set of non-terminal symbols, terminal symbols, product and start symbols, respectively, and $Q$ is the set of probabilities on $P$. So, if word $x$ can be generated from the start symbol by the set of grammar rules $r_1, \ldots, r_N$, then the probability of word $x$ to be generated is $p(x) = p(r_1) \cdot p(r_2|r_1) \cdot p(r_3|r_1r_2) \cdot \ldots \cdot p(r_N|r_1r_2\ldots r_{N-1})$, where $p(r_K|r_1r_2\ldots r_{K-1})$ is the conditional probability to use the product $r_K$ if the rules $r_1, r_2, \ldots, r_{K-1}$ are used before. In this article we will use stochastic grammar for modeling insurance company input flow.

Example how linguists use stochastic grammars. Data Oriented Parsing (DOP) models for natural languages analysis provides very interesting example of application stochastic grammar. The DOP model was first introduced by Remko Scha (Scha, 1990) and formalized by Bod (Bod, 1992). DOP method has used training set of statements (training corpus) for generation the special stochastic grammar. Then delivered stochastic grammar will be used for providing semantic analysis. Right now we describe how stochastic grammar will be generated from training corpus by one version of DOP model (Rena Bod, Remko Scha and Khalil Simaan Introductions to Data-Oriented Parsing 2001). Every statement from training corpus is source for parse tree, where every node can be terminal or non-terminal. Every terminal node is labeled by lexical type (there are lexical types for the verbs, for noun and so on). Every non-terminal node will be labeled by head-complement rules (roots labels) that necessarily for future decomposition. Set all lexical types is terminal set $T$. Set all roots labels is set of non-terminal symbols $N$. Then all parse trees will be decomposed into set elementary trees of flexible size (product set $P$) and will be found frequencies of all elementary trees with common root label in whole populations (the set of probabilities on $P$). So we have set of terminal symbol $T$, set non-terminal symbol $N$, product set $P$ and the set of probabilities on elementary trees $Q$. When we add start symbol $S$ we get whole stochastic grammar. Very likely that for two different training set of statements we will get two not completely identical alphabets (where letters are elementary trees)!

The deterministic finite-state machine is the quintuple $\langle S, I, O, f, h \rangle$, where $S, I$, and $O$ represent a set of states, a set of inputs (input alphabet), and a set of outputs (output alphabet), respectively, and $f$ and $h$ represent the next-state and output functions. The next-state function, $f$, is defined abstractly as mapping the cross products of $S$ and $I$ into $S$. In other words, $f$ is assigned to every pair of state and the input letter is assigned another state symbol. So, the next-state function, $f$, defines what state (of the finite-state machine) will be in the next time interval given the state and the input values in the present time interval. The output function $h$ determines the output values in the present state. There are two different types finite-state machines, which correspond to two different definitions of the output functions $h$. One type is the Moore machine, for which $h$ assigns an output symbol to each state of machine. The other type is the Mealy machine, for which $h$ is defined as a function that assigns every pair of state and input letter an output letter.

There are many different types of automata (deterministic and non-deterministic finite-state machine) and automata networks (for instance neuron-like networks) that may be used
for modeling, but for now we have to define Ianovs scheme. Lyapunov and Ianovs model of a computer program is what invites Ianovs schemes. Ianov describes an algorithm that can recognize when two programs are identical (Ianov, 1964). This job uses very abstract language and we can try to use this for human action as well. Ianovs schemes of a program can be defined as a connected oriented graph G, where every node is an operator (action) or a special device that recognizes either conditions (we call it a Recognizer) or only the Stop Operator. Every Operator transfers all its memory onto all memory. Every Recognizer has one input and two outputs: one arrow goes to the next recognizer (from $R(i,j)$ to $R(i,j+1)$; let $R(i,n+1)$ equal true for all values) and the second one goes to the Operator $A(i)$. If the condition is true, then we must use an arrow from the Recognizer to the Operator (all recognizers $R(i,n)$ have arrows to the Stop operator). Otherwise we have to use arrows that go from Recognizer to Recognizer. The recognizer $R(0,j)$ is the input recognizer, and $R(0,j)$ (for all $j$) has the input arrow from operator $A(j)$. The condition, $F(i,j)$, for the Recognizer, $R(i,j)$, has to satisfy the next condition: $F(i,j)& F(i,k) = \text{true},$ if $j$ does not equal $k$. Rutledge, 1964 has defined the canonical form for the program and proved that the two programs do the same if and only if they have the same canonical forms. He also found the finite non-deterministic automata that do exactly what Ianovs schemes do. It is a very attractive theorem. This theorem gives us a good ability for recognizing if the two systems of action differ. It is very constructive way, but this theorem is not true for all type of operators. The operators have to be independent and map the same space onto the same space.

Anyone who wants to apply this formal language, either automaton or Ianovs schemes, to social problem meet at least a few obstacles. The first problem is how to define all actions as an operator on a few sets (an operator maps one set to another). For instance, the algebraic group of the isometric operator is a very good tool for modeling all kinds of movement. The question is: how can we describe a moving action with damage? The second problem is how to describe who did actions and what was the object of action. Sometimes in order to make an action we have to use a lot of people simultaneously. The number of people and/or devices that have to participate in the actions simultaneously is a very important characteristic of the action. If the number equals $n$, then we state that the action is $n$-tuples actions.

We will now describe a general model of organization based on the parts processes actions language.

**B. THE BASE MODEL OF AN INDUSTRIAL COMPANY**

For simplicity we divide all companies based on the industrial and informational type. In real life all companies have industrial and informational parts. The industrial part consists of all activities under material flow, while the informational part has business with information. However, informational parts also include material flow such as: papers, envelopes, phones, computers (PC and mainframe), communications networks and so on. We can then divide all activities on the internal and external parts. The internal parts focus on internal technological flows in the company and the informational system has to reflect the current
condition of industrial flows. This information will be used for the operational decision making process. The strategic and tactical decision is to make processes need more external information and create a model of the external word. In this article we concentrate only on the internal part of a companys activities.

For the modeling of internal industrial flows we separate two types of actions: assemble and disassemble. We can find traces of this type of action almost everywhere. For the formulation of this type of action we can use a formal language as well. If a person or groups of people want to assemble something, he/she or they need elements that will be use as parts. Some of these parts are assembled somewhere and are just labeled as parts. While other parts are done in a company and may be the result of some activities. For these parts we will use the alphabet of actions using special symbols for denoting tools and natural processes devices. Any device can represent a main natural process, so when we say devise we mean to keep in mind some natural process and vice versa.

So, let us denote E, the set of elements: \( E = \{ x_1, \ldots, x_N \} \), where N is the number of parts. For instance, for a car the number of parts N equals approximately fifty thousand. We then describe the set of methods for gluing the elements and the set of human actions that do this. Let us use the symbol \( P \) for the set of gluing processes and/or devices and A for the set of actions of gluing. So, if the process is mechanical, we need parts and facilities (wrenches, bolts and so on). If the process is chemical we then have to describe the type of glues, conditions and devices. The whole assemble-action (A-action) appears as the word \((x_1, x_2: a_1, a_2, P_1, x_2, x_4, (x_5, x_4: a_3, a_5, p_2, p_5); a_4, a_3, a_7, p_3)\), where the elements of E: the action from the set of action A, \( p_1, \ldots, p_5 \) belong to the set of processes \( P \) (chemical, physical, biological and so on). The parenthesis denotes we get a new element. For instance, the word \((x_1, x_2: a_1, a_2, p_1)\) represents the new element assembled from \( x_1, x_2 \); and for gluing uses process \( p_1 \) from \( P \) and human actions \( a_1 \) and \( a_2 \). But all elements must satisfy the same conditions. We can describe the set of conditions and denote this set by the symbol C. So, we say that elements \( x_k \) belongs to \( C(x_k) \), if \( x_k \) satisfies the set of conditions \( C(x_k) \).

Similarly, \((x_1, x_2: a_1, a_2, p_1)\) must belong to \( C(x_1, x_2: a_1, a_2, p_1) \) and so on.

Disassemble actions (D-actions) transform one element into the set of elements or fractions. For instance, \( D(x) = \{ Fx_1, \ldots, Fx_n \} \), where \( x \) is the initial object and \( Fx_1, \ldots, Fx_n \) are fractions of \( x \). Symbol \( F \) is the first letter of the word fraction. Occasionally it is better to use the distribution of debris sizes. Sometimes, the result of D-actions is the set of parts or parts and fractions. D-actions can be realized by using different natural and artificial processes: from explosive materials to mechanical processes. So, D-actions can create fragments, debris and parts. Results of D-actions can be used for assembling processes. If object \( x \) consists of a biological nature, the result of D-action is a type of injury.

Thus, every element (letter) has a shape and/or weight, material and as a description, these things (shape and so on) need to use a special language as well. For example: a description of the shape is a cylinder with diameter 2.456 feet, height 3.2 feet, depth of wall 1.2 inches; weight 1.03 ton; steel. If the element is a bit of information, we use another description: 12 millions records, length of record is 238 symbols, MS Word (extension .doc). But for our models, this information must be extended by the place of information on the semantic space (see below). If the element consists of information we need to explain what the information is about. For the modeling of a company we build the semantic space (tree) and all processes and actions must have the informational presentation on the semantic space. The creation of a semantic space for particular case is a very big problem. The
high level of a semantic tree for a large number of tools can be expressed by the scheme
engine transmitter working tool - control. The typical engine transforms chemical energy
into mechanical, the transmitter propagates mechanical action to the working tool, and the
control system helps to control the working process. This scheme, however, is not unique
and these set of schemes generate a technological semantic space. We will use a semantic
space as a system of coordinate for all human products.

Thus following, for any process (mechanical, physical, chemical, biological, social and
so on) we have to describe the condition and distance from the normal condition. We
describe the normal condition as conditions normal for humans: physical, chemical, biological
conditions (consistency of air, gravity, radiation, temperature and so on), landscape and
green/animal words as well as demographic, social, and other conditions. Some conditions
are considered good for processes but wrong for humans. In order to use these processes
people create a shell, known as the shell philosophy. For deeper modeling of all processes we
need to use the shell language. Examples of popular shells are homes, and clothing. These
types of shells protect people from bad weather and decorate them. Examples of industrial
shells are chemical and nuclear reactors. An ordinary vehicle consists of a combination of
a few shells: the cabin of car protects the driver and the passengers. The engine creates
the condition for burning fuel and transforms the chemical energy into mechanical. While
a bathyscaphe protects people from high pressure and so on. Sometimes it is very easy
to predict the shape of the shell and/or materials used. For instance, all devices that
protect people from high pressure contain a firm steel camera. We can find similar examples.
Friendship may be interpreted as a human wish to create a social shell. It is easy to view
people as being members of a group by their participation of an action, their ability to create
the tools for the action, and by the set of shells that support the normal condition for the
person, the group, and the whole society. We cannot say, however, by definition that all
people are members of a team that build a reactor for a chemical process. People, however,
try to surround themselves by friendly people and attempt to create a social shell. The
purpose of this is to create a normal condition for the one person or the whole group. The
social aspects of a company will be discussed in another paper.

For now we can rewrite the semantic scheme for tools that move and carry (cars, airplanes,
ships and so on) by the description engine transmitter working tool control - shells.
Chemical processes (including some metallurgical processes) use high-level semantic schemes
such as load to pot chemical cooking unload pot, where pot is the shell for reactions. How
can we describe a shell? We can think of a shell characterized by condition, shape and
materials. Simultaneously, we must find a place of the shell on the semantic space.

**DESCRIPTIONS OF THE BASE OF A COMPANY**

The assembly word gives us information about the structure point of assembly, facilities
and communications. We can define the physical body of a company. Parentheses repre-
sent not only objects, but points of assembly as well. There are many types of assembly
locations varying from primitive to very sophisticate devices. Following this, the systems of
parentheses give us information about order of actions. If a parenthesis is within another
parenthesis, this object has to be done first before the second. If we have information about
the assembling time for all objects, we can figure out the structure of jobs and can estimate
the number simultaneously working spots.
Suppose, we have A-word

\((x_1, x_2; a_1, a_2, P_1), x_2, x_4, (x_5, x_4; a_3, a_5, p_2, p_5); a_4, a_3, a_7, p_3)\)

and suppose the assembling time for object one \((x_1, x_2; a_1, a_2, P_1)\) is \(t_1\), for object two \((x_5, x_4; a_3, a_5, p_2, p_5)\) the assembling time is \(t_2\), and for the whole object the assembling time is \(t_3\), where \(t_2\) approximately equals \(2t_3\), \(t_1=3t_3\). In this case for a continuous job we need 3 assembly locations for object one and two assembly locations for object two. If we know the number of workers working on object one we can estimate the necessary number of employees needed to complete the task. We then have to calculate the number of managers needed and we can finish the evaluation of necessary employees for all A-, D-operations.

All of the information reflected by the current situation of A and D actions need to be gathered by managers as well. The informational part of the model of a company will be discussed later when we describe the almost pure informational company insurance company. If we change proportions between the assembling times \((t_1=x t_3, t_2=y t_3, \text{where } x \text{ and } y \text{ not integers})\) we can get a more complex situation and find the necessary operative control. In the general case \(x\) and \(y\) are random numbers and these objects cannot satisfy the necessary condition. As a result, our managers are given the jobs of operative control. For a formal modeling of the operational control we can use Ianovs schemes. In the general case it is not a small job to prepare the scheme. We need to describe all possible conditions and manager reactions. It is possible, however, for either an A- or D-action to do this and then combine these schemes into one big scheme and optimize it.

The shape, weight, and materials of objects in words determine which objects stay still and which objects move. The cumbersome and/or fragile and/or heavy objects are more likely stay still than be relocated for the next step of the assembly process. The maximum sizes of the objects are defined by the size of the building (the main shell of a company), and the connections between the objects define the structure of the rooms and corridors.

For us the model of an industrial company or an industrial base of a company is the flow of A- and D-words in parts processes actions alphabets saturated by information about the shape and conditions. From this flow we can acquire a lot of information about the companys structure, the necessary connections between the points of assembly/disassembly and the number employees. This flow then gives us information about architectural features of the building (the main shell of a company).

We can then proceed onto the next step in the modeling of company. We will describe the semantic space as a base for pure human actions as conversations, conflicts, and so on. For this purpose we will describe the model of restaurant.

C. HUMAN ACTIONS AND SEMANTIC SPACE

For operations restricted under certain information, we need to describe the semantic space (field) of the action. For example, if we want to describe a persons responsibilities we need to create a list of actions and conditions (often times responsibilities depend on the situation). These descriptions have two parts: official and not official. Given a restaurant, a waiters responsibilities officially appear to be very easy. A waiter needs to (1) prepare a place for clientele, (2) take orders from clientele, (3) pass on requested orders to the kitchen, (4) serve dishes to clientele, and (5) take money from clientele. Unofficially, the role of a waiter consists of other things. For instance, a waiter needs to be polite with clients. How
can we describe the behavior of a person, particularly a polite behavior? There are similar
texts for all social actions. Suppose we want to describe the act of talking. We first
need to describe a semantic space (spaces). This arises the following questions. What do
we currently mean by semantic space? How can we describe semantic spaces? The semantic
space can be professional and nonprofessional. Professional talk can often be interrupted
by nonprofessional themes (the current news, family problems, sports, celebrities, internal
relationships, and so on). For a rough description of the semantic space we can only indicate
the name of the theme or themes of talk (a level one). We then have to extend our description.
According to Hockett's scheme of action, semantic spaces can contain many levels. Sometimes not only
are the content of information (oral or writing) important, but the type of form it has as well. For instance, in the case
of conflicting talk, letters, and so on we need to be extremely accurate. In this paper we
model a type of conflict: if a word (the word of procedures language) does not belong to a
normative set something is wrong. In the case of conflict, the parties (regularly two parties)
can appeal to the rules, agreements, state and/or federal and/or international laws, norms
of morality, and so on. But regardless, in the case of conflict there is appeal. In our case of
a waiter-client the normal situation may easily be transformed into a conflicting situation.
The sources of conflict are a very important element of the semantic space of conflict. It is
not easy but possible to make a universal description of the semantic space of conflict. In
the case of a waiter-client the sources of conflict may involve the bad job performed by the
crew, the mood of the clients, and so on. At any rate, if we want to make a working model
of the social action we need to providently add the conflict regime to our description. For
instance, we must keep in mind that a waiter can call the police or a drunken client can hit
someone. We need to extend our description in this direction as well. Our description needs
to contain information about the number of actors in an action, some information about all
of the actors, the kinds of actions performed by the actors (Mr. X hits Mr. Y or the client
actions contains a threat), and their physical state (a drunken client, a young boy). Other
useful information would be the personal style of actors (a rough waiter, a gentle person,
very professional person).

The collective or personal action maps the semantic space onto itself. This means that
we can use the canonical form of Ianov's scheme of action. The action has to change the
state of objects and/or the state of the semantic space. The meeting (collective action) has
to change the semantic space of the theme and change the persons states (they may obtain
additional information about a discussed object while simultaneously feel tired).

i) THE MASK-POSE-GESTICULATION LANGUAGE.

H umans use an assortment of different languages (see Darwin, 1872, Fast, 1970). Firstly
they use natural oral languages, followed by professional languages (for instance, mathe-
matics is labeled in the set of special languages), physical languages such as sign language
for the speech impaired, and so on. We will concentrate our attention on the mask-posed
mask-ge sticulation language (MPG-language). There are many types of masks. A person can
facially express scales of sense varying from seriousness to liveliness. Every one knows and
uses this mask language and it is considered to be a rich language. Often people (first of
all an emotional person) cannot control their facial expressions and everyone can read the
language of their mask. This means that the reaction of the person on the word or event can
be read. So the mask-language is very informative and plays a very important role in human
society. Similarly, the language of the pose may be used for different aims. For instance, a person can express respect or contempt, independence or dependence, and so on thru their pose. We can easily recognize hand movement as well. All three are composed of some alphabet and, perhaps, some form of grammar. What is important for us is the combination of the elements of the sign language. For instance, the pose expressing submission that contradicts with an insolent mask on the face. So, if we have the a of masks \( M = \{ m(1), \ldots, m(N) \} \), a set of poses \( P = \{ p(1), \ldots, p(K) \} \), a set of gesticulations (hand movements) \( H = \{ h(1), \ldots, h(R) \} \), and a set of themes \( T = \{ t(1), \ldots, t(S) \} \), we can then describe the grammar of mask-pose-gesticulation language (MPG-language) as a subset \( Gr \) of the (Cartesian) production \( T \times M \times P \times H \). The themes set represent the semantic space (field) of the situation or action. This means that if we can describe the situation by these sets \( t(i) \), there is then the set of admissible combination \( (t(i), m_1, p_1, h_1), \ldots, (p(i), m_L, p_L, h_L) \) from the set \( Gr \). The grammar \( Gr \) depends on culture and other factors. The personal style is the distribution of probability on \( (t(i), m_1, p_1, h_1), \ldots, (p(i), m_L, p_L, h_L) \) for a given \( t(i) \). For a given situation, if a person can demonstrate an unusual behavior this means that the behavior combination does not belong to \( Gr \). We can generalize the MPG-language. If we add the action language we obtain the Behavior language.

ii) HUMAN ACTIONS AND FUNCTIONS.

We finish this part of paper by presenting an example of how we can use formal language to model human actions and functions. We cannot do this in a common case, but we will at least describe the set of problems. Every person can do a limited number of physical actions and substantially more mental actions. Mankind lives in an artificial world. We use many different tools and networks of tools: cars and road networks, telephones and telephone networks, computers and computer networks, the set of network that distribute and carry different kinds of goods and so on. We can add to this list other networks such as power networks (for instance, network of precincts), healthcare networks (the set of networks of doctor offices), the networks of department stores, and so on. The combination of human actions and tools give us unusual results. We thus have to define an alphabet of primitive human actions (physical and mental). What is meant by a primitive action? This depends on the problem. We have to find a good descriptive level for a given problem. Before a person starts an action they have to recognize distinct situations. How can we divide this process on elementary actions? What kind of symbol or sign should we use for the identification of social situations? Humans can recognize social situations, but how can they describe the social landscape of a given society? How can we transform the local situation into the relatively global situation?

An example. This example is borrowed from articles and Schank, 1977 and Skvoretz, J. Fararo, T. J., 1980. Suppose we have similar objects: a restaurant, waiters, a kitchen, and a flow of clients. In this case we have to describe the waiters functions. First of all the waiter needs to keep in mind a lot of information about the clientele. The waiter has to recognize what kinds of people arrived to the restaurant. The farthest behavior of the waiter is dependent on the result of this recognition. As a result the number of the waiters actions is not so big. He has to help in finding a comfortable place (P), serve the table (J), setup the chairs (H), bring the menu (B), take the order (T), pass the order onto the kitchen (K), bring appetizers (A), bring dishes (D), take money (C), wait (W), call the manager, call
the power network (N), say good-bye (G). The control and recognition actions are: make the recognition (R), dress and wear a mask (M), discuss the contents of the menu and help patrons make right choices (S), check the result of the action (O), trace customers constantly (Z). It is easy to see that the list of elementary actions may contain very complicated actions. For instance, the action R (recognition) is not an example of an elementary action. Action Z (to constantly trace customers) is not an action. It is a sub-function. If a customer (group of customers) is (are) drunk, aggressive, the waiter may then call the manager or police. In this case we have a conflict situation. There are a lot of other reasons for conflicts such as: bad service or food, a dirty table, wrong calculations on the bill, and so on. There may possibly be conflicts between the clients, too. For a description of conflict we need to use another list of actions. This means that we have to create the universal model for a conflict situation. We then have to appeal to higher level of descriptions. In this case we have a case where the local situation can be transformed into a relatively global situation. The regular mask for a waiter is the mask of a hearty welcome (M1) or friendly, cordial, open-arm guy/girl (B2). Let symbol M2 denote a bad mask. There exists, however, a personal style for the waiter and he/she has to arrange their mask for a particular type of consumer. Some clients like short distances, some clients do not like familiar relations and so on. The waiter must recognize (action R) the type of client he/she has gotten and the waiter has to correct his/her behavior (make mask).

So, the typical fragment of a working day for the waiter can be represented by the following sequence of letters:

U1: M1ZR FOHOBOOSOTKOAOZDODODOOSOTKOAOZDODODOCG
U2: M1R FOHOBOOSOTKOAOZDODZO DOOCG
M1RM2Conflict
U3: M2R FOHOBBOSOTKOAOZDODODOOCG where U1, U2 and U3 are service units. The service unit is a person or a group of people that have to be served together. What do we mean by fragments? We can easily explain the above sequence. The waiter gets a unit of service (U1), he/she dresses the mask of a hearty welcome (M1) and tries to help find a good place for the customers to sit (F). The waiter then brings additional chairs if needed (H), controls how the client (clients) feels and brings them the menu (B), and so on. We can see a lot of embedded Os and Zs. It reflects that O (check result of action) and Z (constantly trace customers) are functions. Os and Zs are not so different: in case O, the waiter has to communicate with the clients personally, in case Z the waiter just looks at the clients. Our function is a set of actions that need to be repeated constantly. From this point of view the waiters complete job is just a function.

But for the modeling of a company (restaurant for instance) we have to describe the input flow. In the previous example it is a flow of clients. What kinds of parameters are essential for this description? The answer depends on the problem. For the flow of clients the important thing is the average time between two incomes. Following this is the importance of the average size of the customers group. It is then important the state and/or behavior of the client. For a profit organization the importance lies in the paying-capacity of the person. The clientele cannot be served if they do not satisfy a certain set of conditions. For a movie customer of an R rated movie they have to be older than 18 years of age. For a drunk, aggressive person all companies are practically closed. So, if every person can be described by a vector \( x = (x_1, x_2, \ldots, x_N) \), then a restricted condition appears as \( x \) belongs to set \( G \),
where $G$ has to be described by the laws and by the particular company. For instance, a drunk and/or aggressive person would be a good client for a precinct.

This kind of model gives us the ability to get more detailed information about different views of company life. For this purpose we need to add more details to our description and information about our main processes. In the case of the restaurant we need to add additional information about a unit of service. For instance, we have a sequence of global, local, international, and so on events: $E_1(t_1), E_2(t_2), \ldots, E_m(t_m)$, where $t_1, t_2, \ldots, t_m$ is the sequence of time points over the past few days ($t_1 \prec t_2 \prec \ldots \prec t_m$). Suppose that $E_1$ is a football game between two very popular teams and let us consider that we have a flow of events (E1, sport), (E2, entertainment), (E3, politics + federal), (E4, sport), (E5, interfamily relations) and so on, where the first word is the code of events and second represents a type of event or a code of the type of events on the semantic scale. In this case the semantic scale (field) is just a list of items. It is very likely that the contemporary events are an important source for the themes of conversation (at least as a starting point for conversation). For every person there exist the flow of the personal events. Sources of personal events may be health (how you feel), family, job, and so on.

In the modeling of a conversation we need additional information about the person. Everyone has a set of favorite themes, $F$, and a set of sick themes, $S$. A theme liked by the person is labeled favorite. The sick theme is a theme that evokes an unusual reaction. Every person has a personal level of activity in a conversation (coefficient of aggressiveness $k$). If we have $m$ conversation partners, we have to describe sets $F$ and $S$ for all participants. Let us denote by symbols $F(i), S(i)$, and $k(i)$ the favorite set, the sick set, and the coefficient of aggressiveness for person $i$, accordingly. $F(i) = \{ t(i,1), \ldots, t(i,ki) \}$, $S(i) = \{ s(i,1), \ldots, s(i,ni) \}$, where $t(i,1), \ldots, t(i,ki), s(i,1), \ldots, s(i,ni)$ are the set of theme names or theme codes on the semantic scale; and $ki, ni$ are the number of themes in $F$ and $S$, accordingly. The intersection of sets $F(i)$ and $S(i)$ cannot be empty. For some people the set $S$ can be a subset of $F$ and so on. Suppose we have a flow of breaking news $(P_1, pt_1), (P_2, pt_2), \ldots, (P_N, pt_N)$, where the first word is a description of events, the second one is the name of the theme or code of the theme on the semantic scale. For instance, the hot information can look like (Team A knock out the team B; sport, local). The first statement gives us information about the event; the second statement is the name of the theme (sport) and the level of the event (local). If we have a free conversation, where the theme of the conversation is not determined, we must define a support function $\text{sup}(j,t)$ for theme $t$ and person $j$. We assume that the arbitrary theme can be supported or rejected as a subject of conversation by participants. For a normal situation if the theme is considered sick by at least one person, it will be rejected. During a free conversation participants will normally from time to time skip themes. The second phenomenon associated with free conversation is that it constantly appears and disappears from conversational subgroups. To formalize both properties of a conversation process we will use a support function and the structure of $F$ and $S$ sets of themes.

We define the support function for person $j$:

$\text{sup}(j,t)$ equals 1 if theme $t$ belongs to $F(j)$,
$\text{sup}(j,t)$ equals -1 if $t$ belongs to $S(j)$ and does not belong to $F(j)$,
$\text{sup}(j,t)$ equals 0 if $t$ does not belong to $F(j)$ or $S(j)$. Let us denote using symbol $\text{Sub}(t)$ the set of people for whom a support function equals one for theme $t$. This set is a potential candidate to be a conversation subgroup if the person moves freely, but in the same case we
have to use the neighbors function $N(j)$, where $N(j)$ is the set of neighbors of person $j$. The neighbors function for twelve people and a rectangular table (two long sides with five chairs on either side, plus two chairs for the two small sides) looks like $N(1) = \{1, 3, 8, 4, 9\}$, $N(2) = \{2, 7, 12, 6, 11\}$, $N(3) = \{3, 1, 4, 8, 9\}$, $N(4) = \{4, 3, 5, 9, 8, 10\}$, $N(5) = \{5, 4, 6, 10, 9, 11\}$, $N(6) = \{6, 5, 7, 11, 10, 12, 2\}$, $N(7) = \{7, 6, 2, 12, 11\}$, $N(8) = \{8, 1, 9, 3, 4\}$, $N(9) = \{9, 8, 10, 4, 3, 5, 1\}$, $N(10) = \{10, 9, 11, 5, 4, 6\}$, $N(11) = \{11, 10, 12, 6, 5, 7\}$, $N(12) = \{12, 2, 11, 7, 6\}$.

So, all processes of free communication will be divided into twelve parts and for every particular $j$ there can run $N(j)$. We can then describe the structure of intersection of interests for neighbors (intersection for favorites themes). However we first have to use the set of common themes (interesting life stories, anecdotes, rumors, and so on). This means that every set of people have common themes for conversations. But different social strata use different types of interesting life stories, anecdotes, and rumors. The list of possible situations for six people is shown on the transition graph. The transition graph for nonzero coefficients of intense of probabilities to jump from one partition to another for small period of time ($Pr(X(T=s)=D(k)/X(T)=D(j)) = m(j,k)s + o(s)$) is $\{(1,2), (2,1), (1,3), (3,1), (1,4), (4,1), (1,5), (5,1), (1,6), (6,1), (1,7), (7,1), (8,1), (1,9), (1,10), (10,1), (1,11), (11,1), (1,12), (12,1), (1,13), (13,1), (1,14), (14,1), (6,12), (12,6), (7,12), (12,7), (8,13), (13,8), (9,13), (13,9), (10,14), (14,10), (11,14), (14,11)\}$.

So in the case of six partners we have various situations. Case $z$ means that three people have the same set of common themes, and the next three pairs have common interests as well. But they do not have common interests for other combinations. This means that real conversations are divided by the next two conversation subgroups.

The model of free conversation uses few sources of themes: flow of current events (global, local, personal), the property of human memory (associative), and themes borrowed from neighbors (if the intersection $N(j)$ and $N(k)$ are not empty, the theme from one subgroup can borrow another one). If the intersection of sets $Sub(t)$ and $N(j)$ for the same theme $t$ and subgroup $N$ contain more than one element, it is more likely for people to keep talking about these events, the problems inside theme $t$ than to skip it. The last source of information (for modeling a professional meeting) is the natural process as a sequence of events. If an event occurs we also get the after-effects. For instance, if the government tries to ban alcohol consumption and issues a dry law, a drug problem will follow. The experienced person may explain by the given events what kind of after-effects and/or back effects will result. So, for us the natural process is the set of sequences of events or words in the events alphabet. Some sequences are more likely than others. From the language point of view the main problem with the description on a natural process is to find a good alphabet of events and find the formal grammar that generates the sequence of words (the sequence of events) with some nonzero probability. If a conversation partner recognizes which process generates a given event, he/she can create the next step of forecasting. There are sets of popular themes. When people do not know appropriate conversation topics they use the theme of Weather or Travel/Tourism. For others, popular themes are Sports, Politics, Hunting/Fishing, Shopping, Family matters, Human relations, Love, Rumors, and so on. In a traditional society the first three themes are traditional themes for men, while the rest of the list represents traditional women themes. We use some code in the representation of a real theme. We use a word for the representation of a narrow theme, so for this purpose we create an alphabet. If letter $S$ represents Sport and $F$ represent Football, then theme Football is represented by word $SF$ and so on. It is important to distinguish the following: two people may love sports, but one
The languages of actions, formal grammars and qualitative modeling of companies.

May only love football while the second one loves swimming and hates football. It follows that the longer the word the more details about the theme it contains.

An example. Suppose we have three people and three favorite sets $F(1) = \{a, b, c\}$, $F(2) = \{a, b, d\}$, $F(3) = \{d, c, l, m\}$, where $a, b, \ldots, l, m$ are the set of words and every word in some alphabet represents some theme. These sets are second-level information and can be used by strangers. Suppose that every person has the coefficient of activity $x$, where $x$ is a non-negative number. Vector $(x_1, x_2, x_3)$ is the vector of activity for all three people. In the case of the restaurant we assume that a drink can change the value of the coefficient of activity. Every person then arranges the set of favorite themes $F$. In the general case this arrangement depends on the situation and reflects the persons understanding of what is more or less suitable for a given situation. The arrangement is the set of numbers $w(1,1)$, $w(1,2)$, $w(1,2)$, where weight $w(1,1)$ is larger than $w(1,2)$ if and only if the theme is more suitable than theme $b$ for person one. For person three the arrangement is the set of weights $w(3,1)$, $w(3,2)$, $w(3,2)$, $w(3,3)$ because of $F(3)$. Set $F(3)$ contains four themes. The probability that person $j$ proposes a theme for conversation equals $x_j/(x_1 + x_2 + x_3)$, where $j$ belongs to set $\{1, 2, 3\}$. The conditional probability that theme $t$ is supported by partners must be proportional to the number of people supporting theme $t$ minus one. In our case $P_{a|1} = (2-1)/(w(1,1)+(w(1,2)+w(1,3))$, because $\text{sub}(a) = \{1, 2\}$. Suppose that for all people the sum of weights equals 1 and all weights are non-negative. In this case the general formula for the calculation of the conditional probability for theme $t$ to be supported by participants is: $P\{t|j\} = v (|\text{sub}(t)| - 1)w(j,k)/|F(j)|$, where theme $t$ belongs to $F(j)$, contains number $k$ and $|F(j)|$ is the number of elements in set $F(j)$. Symbol $|\text{sub}(t)|$ has the same meaning (the number elements). Coefficient $v$ must be found from the condition: the sum of all $P_t|j$ for all themes $t$ from $F(j)$ has to equal one. Then in random time the conversation theme may be skipped. This means that when a theme of conversation is exhausted it needs to be changed.

For a more realistic model we have to add the set of sick themes. Suppose that the sick set for person one is $S(1) = \{c, j, k\}$, the set of the sick problems for person two is $S(2) = \{h\}$, and $S(3) = \{c\}$ is set of sick problems for person three. Then suppose that every person has an opinion about a sick theme. In this model we will use two polar opinions. The first one is I completely support and like, the second one is the opposite I completely do not support and hate. If person one or three proposes theme $c$ as the conversation theme and if they differ in opinion about similar events (any theme assumes the same set of events), we can then get a conflict. The degree of conflict depends on the temperament of the participants and on the surroundings. Similarly, if people find that they have similar opinions about a sick problem, they get a good relationship and this relationship can be a basis for the future of the friendship (if one does not exist). Going back to our restaurant problem, in the case of conflict the waiter has to make an extra-regular action: call the manager or police, and so on.

We are now ready to make a mathematical model of the conversation (Kovchegov 2004).

2. A MODEL OF CONVERSATION AS A RANDOM WALK ON THE SEMANTIC TREE.
This part contains information about the mathematical stochastic model of conversation and conflict. This model was realized as a program and the author obtains the same numerical results as well. Since the full description of the model is rather lengthy, we present here only a toy version of the model.

A. COMMON INTERESTS AND THREE LEVELS OF COMMUNICATION

We first have to define what common interests mean in a given model. If we have two words a and b and there exists a common prefix c, then a=c* and b=c*, where symbol * means the same set of letters (for an arbitrary alphabet). If person ones favorite set contains a and does not contain b and the second persons favorite set b and does not contain a, we can say that person a has common interests on level c or c-interest.

We will differentiate three levels of communications: level one or the general level, level two or real common interests, when people are emotionally involved in the same business, and level three or private, heart-to-heart communications. Second level communication generates (sometimes) deep positive or negative relations. These types of communications are the basis for the emergence of new groups and the crash of old ones. The third level of communication leads to love affairs and/or the emergence or destruction of families. For this type of communication partners first use body language, the language of glances and touch.

B. THE FREE VERBAL AND NONVERBAL COMMUNICATION MODEL

The free communication model is the model of a situation when participants do not have an agenda. We describe two types of free communication models. The first type is the situation where participants sit in a given place. The second situation is the model of completely free communication, where participants do not have an agenda and move freely. The full description of the free conversation model for the case where people stay at a given location involves a more sophisticated mathematical language.

We start our description from the first type of communication model. Suppose we have a set of people I and a neighbor function N. The set of subsets of I is called a partition of I if the union of both sets is the set I and the intersection of the two is the empty set. We call a partition of I a partition agreed with a neighbors function N if every element of the partition is a proper subset of at least one N(j) for the same j. Let us denote the set partition of I that agrees with a neighbors function N by symbol H(I). We can similarly find the conditional probability for theme t(j,k) to be accepted as the suitable theme for conversation given as:

\[ P_t(j,k) = \nu \left( |\text{sub}(t(j,k),N(j))| - 1 \right) w(j,k)/|F(j)|, \]

where theme t(j,k) belongs to F(j), has number k, and |F(j)| is the number of elements in set F(j). Symbol \( \text{sub}(t(j,k), N(j)) \) is the set of people from set N(J) that support theme t(j,k). We will later explain how to find the coefficient of \( \nu \). We need to, however, define the random process for the set of marking partitions agreed with neighbor function N. Any element of the partition will be marked by theme type and time. We use symbol Null to represent silence. Like the theme of Weather, Null (or Silence) is a universal neutral theme. When a person stays silent it means that they are doing something: breathing, listening, eating, chewing, swallowing, watching, looking, sniffing, moving something, writing, reading, sleeping, walking, running, thinking, doing a job, and so on. Coefficient \( \nu \) must be found from the condition: sum of all \( P_t(j) \) for all themes t from F(j) and Null equals one.
So if we want additional details we have to substitute actions instead of Null. When a local conversation for the same subgroup (element of partition) is over, all members get the same theme of Null and start a new time. Everyone in this group became a subset and new element of the partition. For instance, we have a conversation subgroup $B=\{1, 2, 3\}$ marked by theme $b$ and time $z$. Suppose, that when the time of conversation equals 23 minutes the conversation ends. We need to transform subgroup $B$ into three subgroups $\{1\}$, $\{2\}$, $9$ and mark all three by theme Null. The new local time must be started, too.

**An example.** Suppose we have $I=\{1, 2, 3, 4\}$ and $N(1)=\{1, 2, 4\}$, $N(2)=\{2, 1, 4\}$, $N(3)=\{3, 2, 4\}$, $N(4)=\{4, 1, 3\}$. Let us assume we have the second level communication and suppose that the favorite set of themes $F(j)$ has an empty intersection for all sets and a nonempty intersection only for every distinct two. In this case partition $A=\{\{1, 2\}, \{4, 3\}\}$ is the partition agreed with a neighbors function $N$. The marked partition is partition $A_m=\{\{1, 2\}, t(1,k); \{4, 3\}, t(3,s)\}$, where $t(1,k)$ belongs to $F(1)$ and $t(3,s)$ belongs to $F(3)$. This means that th first conversation subgroup $\{1, 2\}$ discusses theme $t(1,k)$ and the second subgroup $\{4, 3\}$ discusses theme $t(3,s)$. Let us infer that in random time $z$ the second team stops talking, but the first team stays talking. This signifies that the initial marked partition will be transformed into the next one: $\{\{1, 2\}, t(1,k); \{4, 3\}, t(3,s)\} \rightarrow \{\{1, 2\}, t(1,k); \{4\}, Null; \{3\}, Null\}$. 

Then there are few variants: $\{\{1, 2\}, t(1,k); \{4, 3\}, t(3,s)\} \rightarrow \{\{1, 2\}, t(1,k); \{4\}, Null; \{3\}, Null\} \rightarrow \{\{1, 4\}, t(4,k); \{2\}, Null; \{3\}, Null\}$ and so on. We can not use, for instance, partition $\{\{1, 3\}, \{2, 4\}\}$ because this partition does not agree with the neighbors function $N$ (element $\{1, 3\}$ is not a part of $N(j)$, for all $j$). Nevertheless, in this case it is easy to describe all set $H(I)$ (the set partition of $I$ that agrees with neighbor function $N$): $H(I) = \{(\{1\}, \{2\}, \{3\}, \{4\}), (\{1, 2\}, \{3, 4\}), (\{1, 3\}, \{4\}), (\{1, 4\}, \{3\}, \{2\}), (\{1, 2, 4\}, \{3\}), (\{2, 3, 4\}, \{1\}), (\{1, 3, 4\}, \{2\}), (\{2, 3, 1\}, \{4\})\}$. 

We thus have only 11 states and all of them are not fit for modeling the second level of conversation. Instance states $((1, 2, 4), \{3\}), ((2, 3, 4), \{1\}), ((1, 3, 4), \{2\}), ((2, 3, 1), \{4\})$ can be fit for level one conversation. We deduce from our assumption: any three people do not have common interests. So for the modeling of solely the second level of communication we have to reject these partitions. However, there does not exist pure communications in real life. More often than not real communication is a mix of all three levels. This means that free communication generates a process that emerges/clashes groups, families, and so on. What does this transition mean? The transition $((1, 2), t(1,k); \{3\}, Null; \{4\}, Null) \rightarrow ((1, 2, 3), t(1,s); \{4\}, Null)$ means that person 3 joins conversation team $\{1, 2\}$. Why is this possible? This occurs because team $\{1, 2\}$ changes its type of theme: they skip theme $t(1,k)=$c and discuss theme $t(1,s)=$c, where $c$ is level ones theme and $c$, $r$, and $d$ are words in a themes alphabet. In this model the semantic field/scale contains alphabets (general letters, special letters) and sets of words. General letters are letters that code the general themes (the first level of communication). A set of words has the structure (general words, special words) and grammar. For example, letter $Rm$ would code the general theme Rumor and letter $Sp$ represents the theme Sport. It then follows that word $RmSp$ represents the theme: a rumor in sport. If we use the theme Football, letter $Fm$ codes this and theme Basketball is coded by letter $Ba$ and words $SpFo$ represent football. Suppose that letter $Gm$ represents theme Game. We can find at least two people who like to talk about sport, but differentiate on the type of sport. So, if $t(1,k)=SpFoGm$ and $t(1, 2)=RmSpFo$, we
can interpret this transition as the transition for the theme of talk ranging from questions about football to rumors about players, coaches, and so on. In this case the special word is transformed into the general word by adding one letter $R_m$. But rumors aside, only one letter transfers the special theme (special word) into the general theme (general word). We define the special word as a word in a special alphabet. The general word is a word with at least one letter from a general alphabet. This kind of explanation suggests to us that transition \((\{1, 2\}, t)\) \((1,k)\); \(\{3\}, \text{Null}; \{4\}, \text{Null}\) \(\rightarrow\) \((\{1, 2\}, t(1,s); \{3\}, \text{Null}; \{4\}, \text{Null}\).

We must only be concerned about the moment in time when there emerges a new theme that changes the structure of interests or sources future alterations. If we want to create a completely free communication model where participants do not have an agenda and are able to move about, we have to use as a state the arbitrary partition of \(I\).

The system then stays in some state (partition agreed with a neighbors function \(N\)) for a random period of time and can randomly change its state. If the time between transitions has an exponential distribution we have a Poisson process. Let us define the probability of random period of time and can randomly change its state. If the time between transitions is completely free communication model where participants do not have an agenda and are able to move about, we have to use as a state the arbitrary partition of \(I\).

We are now ready to write the equation for the first type of free communication model under one assumption: the time between transition has exponential distribution. It may not be a realistic assumption (we achieve a pure Markov process), but we can at least finish the solution successfully. In the case of a semi-Markov process we get a lot of problems with analysis.
If we do not care about themes we get the system of thirteen differential equations. We have a set of favorite themes $F(j)$, where $j$ belongs to $I$, and a set of general themes $G$ (every person $j$ may have the favorite set of general themes $G(j)$). In this case we get $1 + 3[F(1) F(2)] + [F(1) F(3)] + [F(1) F(4)] + [F(2) F(3)] + [F(2) F(4)] + [F(3) F(4)] + ([F(1) F(2) F(3)] + ([F(1) F(2) F(3)] + ([F(1) F(2) F(3)] + ([F(1) F(2) F(3)] + 16|G| differential equations.

We have divided the communication process on the two independent parts. The first part is dedicated to process that emerges the communication groups (having verbal conversation groups first). The second part of the communication problem is the stochastic model of theme flow in every subgroup, when the communication groups are formed.

Step 1. We ignore the type of theme discussed. Let $D_1 = D, D_2 = D(1; T) = \{1\}$, Null; \{2, 3, 4\}, $D_3 = D(2; t), D_4 = D(3; t), D_5 = D(4; t), D_6 = D(1; t), D_7 = D(3, t), D_8 = D(1, 4; t), D_9 = D(2, 3; t), D_{10} = D(2, 4; t), D_{11} = D(1, 3; t), D_{12} = D(1, 2; t, t_2), D_{13} = D(1, 3; t_1, t_2), D_{14} = D(1, 4; t_1, t_2),$ for all themes $t, t_1, t_2$. Let $X(T)$ be our stochastic process and $p_j(T) = \Pr \{X(T) = Dj\}$, where $j = 1, \ldots, 14$. The systems differential equation that describes the evolution of initial distribution is:

\[
\begin{align*}
dp_1(T)/dT &= (-m(1,2) - \ldots - m(1,11))p_1 + m(2,1)p_2 + \ldots + m(11,1)p_{11} \\
dp_2(T)/dT &= -m(2,1)p_2 + m(1,2)p_1 \\
dp_3(T)/dT &= -m(3,1)p_3 + m(1,3)p_1 \\
dp_4(T)/dT &= -m(4,1)p_4 + m(1,4)p_1 \\
dp_5(T)/dT &= -m(5,1)p_5 + m(1,5)p_5 \\
dp_6(T)/dT &= -(m(6,1) + m(6,12))p_6 + m(6,12)p_{12} + m(1,6)p_1 \\
dp_7(T)/dT &= -(m(7,1) + m(7,12))p_7 + m(12,7)p_{12} + m(1,7)p_1 \\
dp_8(T)/dT &= -(m(8,1) + m(8,13))p_8 + m(13,8)p_{13} + m(1,8)p_1 \\
dp_9(T)/dT &= -(m(9,1) + m(9,13))p_9 + m(13,9)p_{13} + m(1,9)p_1 \\
dp_{10}(T)/dT &= -(m(10,1) + m(10,14))p_{10} + m(14,10)p_{14} + m(1,10)p_1 \\
dp_{11}(T)/dT &= -(m(11,1) + m(11,14))p_{11} + m(14,11)p_{14} + m(1,11)p_1 \\
dp_{12}(T)/dT &= -(m(12,6) + m(12,7))p_{12} + m(6,12)p_6 + m(7,12)p_7 \\
dp_{13}(T)/dT &= -(m(13,8) + m(13,9))p_{13} + m(8,13)p_8 + m(9,13)p_9 \\
dp_{14}(T)/dT &= -(m(14,10) + m(14,11))p_{14} + m(10,14)p_{10} + m(11,14)p_{11}
\end{align*}
\]

where $\Pr \{X(T+s) = Dk /X(T)=Dj\} = m(j,k)s + o(s)$, for all $j$ and $k$. It is easy to find the stationary points (measure) of the system. Let put $m_{i,j} = m(i,j)$ for all i and j.

First of all we will find eigenvector $v_1$ for eigenvalue $\lambda_1 = 0$. We will show that all solutions are going to $v_1$, when time is going to plus infinity. How easy to find $v_1 = C_1(f_1, f_2, \ldots, f_5, f_6, \ldots, f_{11}, f_{12}, f_{13}, f_{14})^t$, where $f_1 = 1, f_2 = m_{1,2}/m_{2,1}, f_3 = m_{1,3}/m_{3,1}, f_4 = m_{1,4}/m_{4,1}, f_5 = m_{1,5}/m_{5,1}, f_6 = m_{1,6}/m_{6,1}$,

\[
\begin{align*}
f_{12} &= (m_{7,12}m_{1,7}(m_{6,1}+m_{6,12})+m_{1,6}m_{6,12}(m_{7,1}+m_{7,12}))/\langle m_{7,1}m_{1,2}7(m_{6,1}+m_{6,12})+m_{6,1}m_{6,12}(m_{7,1}+m_{7,12}) \rangle, \\
f_{13} &= (m_{9,13}m_{1,9}(m_{8,1}+m_{8,13})+m_{1,8}m_{8,13}(m_{9,1}+m_{9,13}))/\langle m_{9,1}m_{1,3}9(m_{8,1}+m_{8,13})+m_{8,1}m_{8,13}(m_{9,1}+m_{9,13}) \rangle, \\
f_{14} &= (m_{11,14}m_{1,11}(m_{10,1}+m_{10,12})+m_{1,10}m_{10,12}(m_{11,1}+m_{11,14}))/\langle m_{7,1}m_{1,2}7(m_{10,1}+m_{10,12})+m_{10,1}m_{10,14}(m_{11,1}+m_{11,14}) \rangle, \\
f_{6} &= (m_{12,6}f_{12}+m_{1,6}f_{12})/(m_{6,1}+m_{6,12}), f_7 = (m_{12,7}f_{12}+m_{1,7}f_{12})/(m_{7,1}+m_{7,12}), f_8 = (m_{13,8}f_{13}+m_{1,8}f_{13})/(m_{8,1}+m_{8,13}), f_9 = (m_{13,9}f_{13}+m_{1,9}f_{13})/(m_{9,1}+m_{9,13}),
\end{align*}
\]

$f_{10} = (m_{14,10}f_{14}+m_{1,10}f_{14})/(m_{10,1}+m_{10,14}), f_{11} = (m_{14,11}f_{14}+m_{1,11}f_{14})/(m_{11,1}+m_{11,14}). C_1 = (f_1 + f_2 + \ldots + f_{14})^{-1}.$
Note. For checking the condition \((m_{1,2} + \ldots + m_{1,11})p_1 = m_{2,1}p_2 + \ldots + m_{11,1}p_{11}\) we have to use identity for \(f_{12}: m_{1,6}m_{6,12}/(m_{6,1}+m_{6,12})f_{12}m_{6,1}m_{1,12}/(m_{1,7}+m_{7,12}) + m_{7,12}m_{1,7}/(m_{7,1}+m_{7,12}) = 0\). And similar identities for \(f_{13}\) and for \(f_{14}\). We can represent the system of equation in the matrix form as: \(dp(T)/dT = Ap(T)\), where \(p(T)\) is vector of probabilities and \(A\) is a matrix of coefficients. In the case where all coefficients of intensity \(m(k,j) = 1\), for all \(k\) and \(j\), where \(a\) is a positive constant our system of equation looks like: \(dp(T)/dT = Ap(T)\), where matrix

\[
A = \begin{pmatrix}
-10 & 1 & 1 & 1 & 1 & 1 & 1 & 1 & 1 & 1 & 0 & 0 & 0 \\
1 & -1 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 \\
1 & 0 & -1 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 \\
1 & 0 & 0 & -1 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 \\
1 & 0 & 0 & 0 & -1 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 \\
1 & 0 & 0 & 0 & 0 & -2 & 0 & 0 & 0 & 0 & 1 & 0 & 0 \\
1 & 0 & 0 & 0 & 0 & 0 & -2 & 0 & 0 & 0 & 1 & 0 & 0 \\
1 & 0 & 0 & 0 & 0 & 0 & 0 & -2 & 0 & 0 & 0 & 0 & 0 \\
1 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & -2 & 0 & 0 & 0 & 0 \\
1 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & -2 & 0 & 0 & 0 \\
0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & -2 & 0 & 0 \\
0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 1 & 0 & 0 \\
0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & -2 & 0 \\
0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 1 & 0 \\
0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & 0 & -2
\end{pmatrix}
\]

We can now find the exact solution of the system. For this purpose we will find the eigenvalues for matrix \(A\).

The characteristic polynomial is \(\Delta(\lambda) = \det(A - \lambda I) = \lambda(\lambda^3 + 15\lambda^2 + 46\lambda + 28)(\lambda^2 + 4\lambda + 2)^2 (\lambda + 1)^3 (\lambda + 2)^3\).

The eigenvalues are \(\lambda_1 = 0\), \(\lambda_2 = \lambda_3 = \lambda_4 = -1\), \(\lambda_5 = \lambda_6 = \lambda_7 = -2\), \(\lambda_8 = \lambda_9 = -2 - \sqrt{2}\), \(\lambda_{10} = \lambda_{11} = -2 + \sqrt{2}\), \(\lambda_{12} = z/3 + 29/z - 5\), \(\lambda_{13} = -z/6 - 29/2z - 5 + 1/(\sqrt{3}(z/2 - 29/2z))\), \(\lambda_{14} = -z/6 - 29/2z - 5 + 1/(\sqrt{3}(z/2 - 29/2z))\), where \(z = (-648 + 3/\sqrt{26511})^{1/3}\).

For eigenvalue \(\lambda_1 = 0\) we have one eigenvector \(u_1 = (1, 1, \ldots, 1)^t\), for eigenvalue \(\lambda_5 = \lambda_6 = \lambda_7 = -1\) we have three independent eigenvectors \(u_2 = (0, 0, 1, -1, 0, \ldots, 0)^t\), \(u_3 = (0, 0, 1, 0, -1, 0, \ldots, 0)^t\), and \(u_4 = (0, 0, 1, 0, -1, 0, \ldots, 1)^t\).

For eigenvalue \(\lambda_8 = \lambda_9 = -2 - \sqrt{2}\) we have two eigenvectors \(u_8 = (0, 0, 0, 0, 0, -1/\sqrt{2}, -1/\sqrt{2}, 0, 1/\sqrt{2}, 1/\sqrt{2}, 1, 0, -1)^t\), \(u_9 = (0, 0, 0, 0, 0, 0, 0, -1/\sqrt{2}, -1/\sqrt{2}, 1/\sqrt{2}, 1/\sqrt{2}, 0, 1, -1)^t\).

For eigenvalue \(\lambda_{10} = \lambda_{11} = -2 + \sqrt{2}\) we get two eigenvectors too: \(u_{10} = (0, 0, 0, 0, 0, 1/\sqrt{2}, 1/\sqrt{2}, 0, 0, -1/\sqrt{2}, -1/\sqrt{2}, 1, 1, 0)^t\), \(u_{11} = (0, 0, 0, 0, 0, 0, 0, 0, 1/\sqrt{2}, 1/\sqrt{2}, -1/\sqrt{2}, -1/\sqrt{2}, 1, -1)^t\).

For eigenvalues \(\lambda\) that satisfy equation \(\lambda^3 + 15\lambda^2 + 46\lambda + 28 = 0\) (\(\lambda_{12}, \lambda_{13}, \lambda_{14}\)) eigenvector is \((1, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2}, \frac{1}{\lambda+\lambda^2})^t\). We will receive the three eigenvectors \(u_{12}, u_{13}, u_{14}\) when we substitute three roots \((\lambda_{12} = -11.075, \lambda_{13} = -3.1132, \lambda_{14} = -0.81212)\) in general formula.
The sum of coordinates for eigenvectors \( u_2, \ldots, u_{14} \) equal zero: 
\[ \sum_{i=2}^{14} u_{k,i} = 0 \text{ for } k=2, \ldots, 14. \]

The fundamental matrix for our system is
\[
X(t) = C_1 e^{\lambda_1 t} u_1 + C_2 e^{\lambda_2 t} u_2 + \ldots + C_{14} e^{\lambda_{14} t} u_{14},
\]
where \( C_1, C_2, \ldots, C_{14} \) are constants and \( \lambda_1 = 0, \lambda_2 < 0, \ldots, \lambda_{14} < 0. \)

So, when \( t \to +\infty \) the general solution going to \( C_1 u_1. \)

Let put \( C_1 = \frac{1}{14} \) then the probability measure \( C_1 u_1 = (\frac{1}{14}, \ldots, \frac{1}{14}) \) will be only attractor for all solutions.

Thus, in the case of a free conversation (no preferred themes) after a short time the conversation is equally likely to switch to any other topic, including a stop, regardless of the initial distribution.

So, our system of linear equations (*) has the solution (see, for instance, [30])
\[
p(T) = \exp(e(1)T)Z_1 + \exp(e(2)T)Z_2 + \exp(e(3)T)Z_3 + \exp(e(4)T)Z_4 + \exp(e(5)T)Z_5 + \exp(e(6)T)Z_6 + \exp(e(7)T)Z_7 + \exp(e(8)T)Z_8 + \exp(e(9)T)Z_9 + \exp(e(10)T)Z_{10} + \exp(e(11)T)Z_{11} + \exp(e(12)T)Z_{12} + \exp(e(13)T)Z_{13} + \exp(e(14)T)Z_{14},
\]
where matrices \( Z_1, \ldots, Z_{14} \) satisfy conditions \( Z_{ij} = 0, i = Z_1 + \ldots + Z_{14}, Z_{ii} = Z_i, \) for all \( i \) and \( j \) from the set \{1, 2, \ldots, 14 \}, \( I \) is identical matrix, and \( T \) is time.

Step 2. We can now describe the second part of the communication process. For this, we need additional information about the person. We will then use the semantic field and body language. Suppose that \( A \) is the alphabet for the semantic field (the theme language). The arbitrary word (every word represents a theme or a set of themes) is the sequence of letters. For instance, \( a=S1H2K5 \) is word for the alphabet \( A=S1, H2, K5. \) The conversation process builds or destroys random processes. The typical trajectory of the random process looks like the sequence \( X(T_0) = G2, X(T_1) = AB, X(T_2) = ABC, X(T_3) = ABCD, X(T_4) = ABCDF, X(T_5) = G1, X(T_6) = ABC, X(T_7) = ABCKL, X(T_8) = G3, \) etc. where \( T_0, T_1, T_2, \ldots \) are random moments in time. This means that the conversation process starts from the general theme (G2) and proceeds onto special questions. We can see a growing depth in conversation (T1-T5) and at moment T5 the conversation process goes back to the general area again, and so on. How can we formalize this type of process? We use the randomized formal grammar method. What do mean by this? Let us propose that the participants have a non-empty set of common favorite themes. For instance, suppose that theme \( b= ABCDF \) is a common favorite theme for all members of the conversation team. Someone initiates the following approach: she or he offers theme AB. Someone then makes the next approach (theme ABC) and so on. In a few steps the conversation subgroup reaches the desirable theme ABCDF. When participants tire or the theme is exhausted the process moves to the opposite direction. Our next question is how do different evaluations and/or opinions about events (inside theme ABCDF) transform relations (see 3rd step). We represent the semantic scale as trees: S-trees for special topics, G-trees for general topics (funny stories, jokes, anecdotes, rumors, and C-trees for current events. Suppose we the alphabet of themes A and suppose that any nodes on the tree are marked by letters from the alphabet and by a set of events. The roots are marked by symbol S for S-tree, symbol G for G-tree, and symbol C for C-tree. Now let us assume that all three symbols do not belong to the alphabet. The nodes on the tree represent words. How do we find these words? We take the shortest path from the root to a given node and write down (from left to right) all letters that lie on the
path from the root to given node. The favorite or sick sets of themes are the set of nodes on the G or S trees. In this case the conversation process is a random walk on the trees. We can combine all trees into one by adding one additional extra root with three edges to the roots of S-, G-, and C- trees. How do we calculate the probability of coming from a given node to the next neighbor or to jump to another place? Suppose we have node j on the semantic tree. For every participant we calculate the set of shortest paths from a given node to all elements of the favorite set. For a given person we must calculate the number of paths that go from a given node j to a member of the favorite set with the nearest edges of node j (this means that the edge is a part of the trajectory). The probability of going onto the next node must be proportional to its number. For instance, if node j has the set of neighbors k, l, r on the semantic tree with a number of paths that start at j, that go throughout k (or l or r) equaling to M(j,k) (or M(j,l) or M(j,r)), this probability walk to k must be proportional M(j,k) and so on. We can now demonstrate an example of a conversation model (random walk on the tree model). Suppose we have alphabet A and a semantic tree \{(S,Cu), (S,Sp), (S,Ar), (Cu,D1), (Cu,D2), (Sp,Fu), (Sp,Ba), (Ar,Mu), (Ar,Pa) \} for two people (having case one of six partitions D(1,2) = (1, 2, 3, 4), D(1,3), D(1,4), D(2,3), D(2,4), D(3,4)) and case D(2). The numeration of themes are 1 for S, 2 for Cu, 3 for Sp, 4 for Ar, 5 for D1, 6 for D2, 7 for Fu, 8 for Ba, 9 for Mu, 10 for Pa. The favorite sets are \{F1={Cu, D1, Sp, Ba} or \{2, 5, 3, 8\} and F2={Sp, D2, Fu, Ba} or \{3, 6, 7, 8\}. This signifies that we will use a number theme instead of a word theme (i.e. number 2 instead of Cu (Cooking)). The arrow and number on the arrow denotes the probabilities of skipping onto the next position. We have the graph of transition and we can therefore write the system of differential equations. Let us denote the conditional probability PrX(T)=D(A,t) / X(T)=D(A) by symbol p(t,A;T), where t represents the theme for conversation group A (suppose A={1, 2} or {1, 3} or {1, 4} or {2, 4}).

The systems differential equation that describes the evolution of the initial distribution on the semantic tree is: (Suppose D(A) is D(1,2) = (1, 2, 3, 4), F1 = \{2, 5, 3, 8\}, F2 = \{3, 6, 7, 3, 8\}, PrX(T+s) = D(A,t) /X(T)=D(A)=n(j,k)s + o(s), n(j,k) 0 and let p(t,T) = p(t,\{1,2\};T))

\[
\begin{align*}
dp(1,T)/dT &= -(n(1,2) + n(1,3) + n(1,4))p(1,T) + n(2,1)p(2,T) + n(3,1)p(3,T) + n(4,1)p(4,T) \\
dp(2,T)/dT &= -(n(2,1) + n(2,6))p(2,T) + n(1,2)p(1,T) + n(5,2)p(5,T) + n(6,2)p(6,T) \\
dp(3,T)/dT &= -(n(3,1) + n(3,8))p(3,T) + n(1,3)p(1,T) + n(7,3)p(7,T) + n(8,3)p(8,T) \\
dp(4,T)/dT &= -(n(4,1) + n(4,9))p(4,T) + n(1,4)p(1,T) + n(9,4)p(9,T) + n(10,4)p(10,T) \\
dp(6,T)/dT &= -n(6,2)p(6,T) + n(2,6)p(2,T) \\
dp(8,T)/dT &= -n(8,3)p(8,T) + n(3,8)p(3,T) \\
dp(9,T)/dT &= -n(9,4)p(9,T) + n(4,9)p(4,T) \\
dp(5,T)/dT &= -n(5,2)p(5,T) \\
dp(7,T)/dT &= -n(7,3)p(7,T) \\
dp(10,T)/dT &= -n(10,4)p(10,T)
\end{align*}
\]

\[
p(1,T) + p(2,T) + p(3,T) + p(4,T) + p(5,T) + p(6,T) + p(7,T) + p(8,T) + p(9,T) + p(10,T) = 1
\]

Note: Let us not forget that numbers represent conversation themes.

It is easy to find the stationary points (measure p(k,T)=p(k), for all T) of the system and we can additionally find the systems solution. We need to write similar equations for all partitions and then plan (at a later point) to also use the natural attractions. This attractiveness is a very important property and it known as the relational property.
We can similarly make the model of conflict. The model of conflict pays more attention to details and therefore essentially generates more states of the system and large numbers of equations. If we want additional details we can use body language as well. For instance, in the third level of communication (greetings, heart-to-heart) body language is more important than oral. But for all of these models we need to write a large system of equations.

3. THE INSURANCE COMPANY: A SEMANTIC REPRESENTATION OF INTERNAL FLOW AND A STATISTICAL SIMULATION OF THE COST OF A DISEASE.

An insurance company is an example of a company in which the main business is almost purely informational. The real process (emerging diseases, interaction of patients and doctors, diagnosis, procedures, payments, etc.) is omitted from insurance company (IC). These actions, however, or the majority of them need to be reflected by a system of informational flows. An insurance company creates a few doctor networks, hospital networks, and forms the membership by selling insurance packages (products). The product consists of a set of rules for the patients purchasing the package. The cheaper package prescribes the member doctors, hospitals, and so on, while the more expensive package provides patients more freedom with additional choices. The informational and reality images are not the same, and is the main reason for the search of fraudulence, auditing, and so on, all of which are an important part of IC activities.

Insurance company activities cover few areas consisting of: enrollment and maintenance (sell products to individual and group members), and providers (institutional and professional). Brokers provide new member enrollments, while vendors are responsible for doctors networks that want to work for given insurance companies. Following, diseases and/or monitoring force members to interact with doctors. These processes control the insurance company: from the first encounters with doctors, the IC gets claim/encounter information. The claim contains diagnosis code, procedures code, billing information, patients name, and so on. The insurance company evaluates all this information by using some criterions and then makes payments or investigates the case. So, the two processes of selling of companys products (health care insurance plans) and diseases or preventive monitoring are two base processes for an IC. Information and people that provide this support (programmers and reports provider) support the two base processes. The computer and mathematical modeling of both external base processes is discussed by the author (Kovchegov, 2000).

The main objects of IC are populations (IC want makes him members), network of doctors and hospitals, brokers, vendors and another functions typical for all companies (human resource, payroll department, fraud department and so on). The internal information process can be described through a linguistic method: using semantic trees (semantic code) and grammar structure. We can describe the main subject areas that almost cover the whole semantic space of an IC: Member (personal insurance), Group (employer insurance), Encounter/Claim, Product, Provide, Professional, Capitation, Pharmacy, Business entities, Finances, and Networks. The next levels are field names and tables. We can describe every table and documents by writing words using the subjects name, table and field language. So, the report can look like SA1 (f1, f4, f35), SA2 (f2, f8), f (22,11), f (2,57), where SA1 is the subject area Member, SA2 is Encounter/Claim, f1, f4, f35 and so on are base field names (fields alphabet). Then we describe the set of possible functions: extractions, merging
(assemble), creation of new fields \((\text{sum}(f3,f7, \ldots, f78))\) and indexes and so on. So we can do a semantic tree for an IC and describe the grammar of the reports language. Unfortunately it is not easy to find a training corpus that is necessary for getting a formal grammar of language for the report (and for another internal language). This is our main reason why we concentrate our attention on doctor patient base process. This section of the paper is dedicated on demonstrating the capability to represent the external flow in semantic form. We create the alphabet (procedures alphabet) and then find the formal grammar that generates patient diseases histories. The formal grammar and frequencies give us the ability to calculate the cost of an arbitrary disease by using the method simulation. For this purpose we use two methods: the first called a direct statistical method that uses some hierarchical system of calculation to do the calculation. The second method, described later on, is divided in two parts. The first part contains the calculations and extrapolation set of normative variables and technological chains. The keystone element of the second part is the simulation of a price formation process. Our main goal, nonetheless, is to describe the alphabet and find the formal grammar.

We now describe the type of information used. Patients that stay in hospitals are called inpatients and information on these patients is called institutional files. Other patients are called outpatients with an associated professional file. The five tables (see Appendix A) are an extraction from a professional file, years 1995-99, with the disease of diabetes. We use the alphabets \(\{ A, AN, DR, E, LP, L, M, S1, S2, S3, S4, SO, RD, \ldots \}\), where letter \(A\) stands for procedure TRANSPORTATION, letter \(AN\) stands for procedure ANESTHESIA, letter \(DR\) stands for procedure DRUG, letter \(LP\) stands for procedure LAB PATOLOGY, letter \(E\) stands for procedure DIGEST SYSTEM, letter \(M\) stands for procedure MED SERVICE, letter \(S1\) stands for procedure SURGERY:INTEG, letter \(S4\) stands for procedure SURGERY: CARD, and so on. For diabetes we use an alphabets of 37 letters. Every patient has a sequence of the procedures. We have transferred the sequence of procedures into the set of long and short words. The long word looks like "A-5AN-2DR-11 S4-1 S2-2", where a letter represents a procedure, a number after letter denotes the number of times. So, A-5 means that procedure TRANSPORTATION is used five times. The short word is the long word without a number. The short word looks like "A-ANDR S4 S2. We then calculate the frequencies of short words for all five years.

We can see from the complete lists that the majority of words are small length. The bigger words have a less probability of occurring. The first step is to generate the list of words (randomly) and then calculate the price associated with every word. For the real calculation we generate words with frequencies: AN-1; DR-17; S4-2; S5-1. These words signify that the patient had anesthesia once, surgery (digest) twice, surgery (cardiology) once and took drugs 17 times. Once the list of words with frequencies has been generated, the program calculates the price of the list.

A. THE SYNTACTIC MODEL AND THE FORECAST FOR THE SYNTACTIC MODEL.

We now transfer our short words problem into grammar problems. This means that for a list of short words (see list for 199599) we generate this words automaton grammar. Then, when we get the five grammars for all five tables, we find the general pattern for all stochastic grammar. We thus reduce our problem into one: to make a forecast for
the matrix of probability. This means we have to make a prognosis for multidimensional numerical vectors. In the general case there are a lot of solutions for this problem, but this method does not allow us to make a prognosis. We start our analysis from year 1998, which contains more information.

**Step 1. Grammar for table 4.**

We have grammar $G_4=(VN, VT, P, S)$, where $S$ is the start or root symbol, $P$ is the set of substitute or deduced rules, $VT$ is the set of terms or set of words (having all letters belong to our alphabet), $VN$ is the set of non-terms, denoted as regular grammar. This signifies that all deduced rules look like $A \rightarrow aB$ or $A \rightarrow a$, where $A$ and $B$ are non-terms, and $a$ is a word in the given alphabet. We only need the description of set $P$. Our goal is to obtain a regular grammar, which generates a given set of short words. The set of deduced rules for words from table 4 is shown below. $S \rightarrow A$, $S \rightarrow DR$, $S \rightarrow AN$, $S \rightarrow E$, $S \rightarrow LP$, $S \rightarrow S_1$, $S \rightarrow S_4$, $S \rightarrow RD$.

The second level rules is: $A \rightarrow AN$, $A \rightarrow DR$, $A \rightarrow E$, $A \rightarrow LP$, $A \rightarrow S_1$, $A \rightarrow E$, $A \rightarrow DR$, $A \rightarrow S_2$, $AN \rightarrow DR$, $LP \rightarrow S_1$, $LP \rightarrow S_4$.

The third level contains the set of rules: $E \rightarrow LP$, $E \rightarrow S_1$, $E \rightarrow S_4$ and so on.

In the future we use the following notation for rules. The notation $A \rightarrow B$ for rules of level $N$ signifies that (a) there does not exist a rule of level $N+1$ that begins with symbol $B$; (b) the calculation process prints out a word and goes to the beginning of the calculation process. The notation $A \rightarrow B^*$ means that there exists a next level rule which starts from symbol $B$. We write $A \rightarrow B$, $A \rightarrow B^*$, when we want say that there exists both a modification and a non-zero probability.

**Frequencies for Grammar 4 (1998)**

1st level (S is the starting point, followed by first level rules)

\[
S
\]
2nd level (rules for the second level are used only for letters with asterisks: $A_*$, $DR_*$, $AN_*$, and $LP_*$)

$$S \rightarrow A_*$$

| Rule | $A_*$ | $DR_*$ | $AN_*$ | $E_*$ | $LP$ | $LP_*$ | $S1$ | $S4$ | $RD$ |
|------|-------|--------|--------|-------|------|--------|------|------|------|
| prob | .14348 | .05219 | .43117 | .2581 | .010523 | .007252 | .00384 | .0506 | .00597 | .01735 | .01948 | .0000 |

3rd level (use third level rules for $AN_*$, $DR_*$, $LP_*$ and ignore off events)

$$S \rightarrow A_* \rightarrow DR$$

| Rule | $E_*$ | $G_*$ | $G_{S4}$ | $LP$ | $LP_*$ | $RD$ | $SO$ | $S1$ | $S1S4$ | $S2$ | $S4$ |
|------|-------|-------|---------|------|--------|------|------|------|---------|------|------|
| prob | .00716 | .00881 | .00551 | .30689 | .1901 | .0099 | .0066 | .1041 | .01267 | .0066 | .34159 |

$$S \rightarrow AN$$

| Rule | $DR$ | $DR_{S4}$ |
|------|------|-----------|
| prob | .78431 | .21569 |

Note. In this paper we do not present events with small frequencies. Symbol $LP_*$ occurs with a small empirical probability (frequency equal 0.00597), so we ignore the next level.

4th level (use fourth level rules for $E_*$, $DR_*$ and ignore off events)

$$S \rightarrow A_* \rightarrow DR \rightarrow E_*$$

| Rule | $LP$ | $LPS4$ | $S1$ | $S4$ |
|------|------|--------|------|------|
| prob | .25333 | .2400  | .1333 | .37333 |

The grammar can now generate the list of short words that contain more words than included in table 4. We must, likewise, describe the grammar frequencies for all tables and then create a general universal grammar that generates all tables. It is easy to demonstrate that the above-described grammar is our universal grammar. What is the difference between these grammars? The difference is just the Frequencies for Grammars and a forecast only needs to be done for this. We should be aware that our frequencies are in numerical format. We will show below the frequencies for all cases, only for the first two levels. All frequencies below are frequencies for a universal grammar. If the universal grammar with the given list
of frequencies generates a set of words from table N, we call this: Frequencies for Grammar N.

**Frequencies for Grammar 1 (1995, Table 1 from Appendix A)**

1st level

\[
\begin{array}{cccccccccccc}
\text{S} & \text{A} & \text{A}^* & \text{DR} & \text{DR}^* & \text{AN} & \text{AN}^* & \text{E} & \text{LP} & \text{LP}^* & \text{S1} & \text{S4} & \text{RD} \\
0.0281 & 0.0355 & 0.528 & .1139 & .01390 & .025214 & .00003 & .0754 & .00007 & .02515 & .0281 & 0.000 \\
\end{array}
\]

2nd level

\[
\begin{array}{cccccc}
\text{S} \rightarrow \text{A} & \\
\text{AN}^* & \text{DR} & \text{DR}^* & \text{E} & \text{LP} & \text{S1} \\
0.999 & 0.0001 & 0.0003 & 0.0003 & 0.0001 & 0.0002 \\
\end{array}
\]

\[
\begin{array}{ccccccccccc}
\text{S} \rightarrow \text{DR} & \\
\text{E} & \text{G} & \text{G}_S & \text{LP} & \text{LP}^* & \text{RD} & \text{SO} & \text{S1} & \text{S1S4} & \text{S2} & \text{S4} \\
.00000 & .00000 & .00000 & .4545 & .0001 & .0000 & .3246 & .0000 & .0000 & .0000 & 0.2208 \\
\end{array}
\]

**Frequencies for Grammar 2 (1996, Table 2 from Appendix A)**

1st level

\[
\begin{array}{cccccccccccc}
\text{S} & \text{A} & \text{A}^* & \text{DR} & \text{DR}^* & \text{AN} & \text{AN}^* & \text{E} & \text{LP} & \text{LP}^* & \text{S1} & \text{S4} & \text{RD} \\
0.0318 & 0.0710 & 0.4388 & .1929 & .044 & .01325 & .0000 & .0991 & .02915 & .0079 & .0668 & 0.0053 \\
\end{array}
\]

2nd level

\[
\begin{array}{cccccc}
\text{S} \rightarrow \text{A} & \\
\text{AN}^* & \text{DR} & \text{DR}^* & \text{E} & \text{LP} & \text{S1} \\
0.5149 & 0.1940 & 0.1940 & 0.0970 & 0.00004 & 0.00006 \\
\end{array}
\]

\[
\begin{array}{ccccccccccc}
\text{S} \rightarrow \text{DR} & \\
\text{E} & \text{G} & \text{G}_S & \text{LP} & \text{LP}^* & \text{RD} & \text{SO} & \text{S1} & \text{S1S4} & \text{S2} & \text{S4} \\
.00000 & .00000 & .00000 & .3874 & .1730 & .0439 & .0522 & .0549 & .0000 & .0000 & 0.28846 \\
\end{array}
\]

**Frequencies for Grammar 3 (1997, Table 3 from Appendix A)**

1st level (\text{AN}^* \text{is ANDR}, \text{LP}^* \text{is LPS4})

\[
\begin{array}{cccccccccccc}
\text{S} & \text{A} & \text{A}^* & \text{DR} & \text{DR}^* & \text{AN} & \text{AN}^* & \text{E} & \text{LP} & \text{LP}^* & \text{S1} & \text{S4} & \text{RD} \\
.0515 & 0.1019 & .3772 & .1967 & .0342 & .007252 & .00468 & .1131 & .0288 & .0061 & .0749 & .0000 \\
\end{array}
\]

2nd level (\text{LP}^* \text{is LPS4})

\[
\begin{array}{cccc}
\text{S} \rightarrow \text{A} & \\
\end{array}
\]
Frequencies for Grammar 5 (1999, Table 5 from Appendix A)

1st level

\[
\begin{bmatrix}
S & A_\_ & A_\_* & DR & DR^* & AN & AN^* & E_\_ & LP & LP^* & S1 & S4 & RD \\
0.0589 & 0.1406 & 0.4470 & 0.2856 & 0.0000 & 0.0000 & 0.0333 & 0.0000 & 0.0208 & 0.0136 & 0.0000 & 0.0000
\end{bmatrix}
\]

2nd level (LP* is LPS4)

\[
\begin{bmatrix}
S & A_\_ & AN^* & DR & DR^* & E_\_ & LP & S1 \\
0.0000 & 0.3898 & 0.4550 & 0.1552 & 0.0000 & 0.0000 & 0.0000 & 0.0000
\end{bmatrix}
\]

We now have the information needed to make a forecast. We gather information for the first level together (see below).

1st level (1995-99)

\[
\begin{bmatrix}
A_\_ & A_\_* & DR & DR^* & AN & AN^* & E_\_ & LP & LP^* & S1 & S4 & RD \\
0.0281 & 0.0355 & 0.528 & 0.1139 & 0.01390 & 0.025214 & 0.0000 & 0.0754 & 0.0007 & 0.0251 & 0.0281 & 0.0000 \\
0.0318 & 0.0710 & 0.4388 & 0.1929 & 0.044 & 0.01325 & 0.0000 & 0.0991 & 0.02915 & 0.0079 & 0.0668 & 0.0053 \\
0.0515 & 0.1019 & 0.3772 & 0.1967 & 0.0342 & 0.007252 & 0.00468 & 0.1131 & 0.0288 & 0.0061 & 0.0749 & 0.0000 \\
0.14348 & 0.05219 & 0.43117 & 0.2581 & 0.010523 & 0.007252 & 0.00384 & 0.0506 & 0.00597 & 0.01735 & 0.01948 & 0.0000 \\
0.0589 & 0.1406 & 0.4470 & 0.2856 & 0.0000 & 0.0000 & 0.0000 & 0.0000 & 0.0333 & 0.0000 & 0.0208 & 0.0136 & 0.0000
\end{bmatrix}
\]

We have a difficult problem of predicting 12-dimensional vectors in an 11-dimensional space (sum of all elements in a row must equal one). A similar problem exists for level two (5-dimensional and 10-dimensional).

2nd level (1955-99)

\[
\begin{bmatrix}
S & A_\_ & AN^* & DR & DR^* & E_\_ & LP & S1 \\
0.999 & 0.0001 & 0.0003 & 0.0003 & 0.0001 & 0.0002 \\
0.5149 & 0.1940 & 0.1940 & 0.0970 & 0.0004 & 0.0006 \\
0.3533 & 0.2827 & 0.1943 & 0.1696 & 0.0000 & 0.0000 \\
0.1110 & 0.2597 & 0.36769 & 0.180376 & 0.015857 & 0.01189 \\
0.0000 & 0.3898 & 0.4550 & 0.1552 & 0.0000 & 0.0000
\end{bmatrix}
\]
The problem of finding a solution is standard and there are a lot of different ways. The easiest method is to interpolate all values for all columns, make negative numbers equal zero, find the sum of rows and normalize the rows by dividing by the sum. If all variables are independent, we can use the next prognosis formulas (2nd level, S→A):

\[ x_1 = 0; \]
\[ x_2 = \frac{-168.54121 + 0.08451 \text{year}}{-470.3754355 + 0.2358393 \text{year}}; \]
\[ x_3 = \frac{-218.045815 + 0.109309 \text{year}}{-470.3754355 + 0.2358393 \text{year}}; \]
\[ x_4 = \frac{-78.396752 + 0.0393176 \text{year}}{-470.3754355 + 0.2358393 \text{year}}; \]
\[ x_5 = \frac{-3.115175 + 0.0015597 \text{year}}{-470.3754355 + 0.2358393 \text{year}}; \]
\[ x_6 = \frac{-2.280141 + 0.001143 \text{year}}{-470.3754355 + 0.2358393 \text{year}}. \]

These formulas give us the ability of calculating the probability to use substitutions or deduction rules for the second level, case S→A for an arbitrary time point. For instance, see below for a forecast of years 2000-02 (for year 2000 see row one, for year 2001 see row two, for year 2002 see row three).

**Prognosis (2nd level, S→A, years 2000, 2001, 2002, 2003)**

| Year | AN* | DR   | DR*  | E_  | LP   | S1   |
|------|-----|------|------|-----|------|------|
| 2000 | 0.0000 | 0.36741 | 0.43907 | 0.18298 | 0.0032421 | 0.0044960 |
| 2001 | 0.0000 | 0.36602 | 0.44282 | 0.18048 | 0.0037587 | 0.0045497 |
| 2002 | 0.0000 | 0.36500 | 0.44556 | 0.17865 | 0.0041381 | 0.0045891 |
| 2003 | 0.0000 | 0.36421 | 0.44766 | 0.17725 | 0.0044284 | 0.0046193 |

We can compare real numbers and numbers calculated by our interpolation formulas (marked by sign):

| Year | AN* | DR   | DR*  | E_  | LP   | S1   |
|------|-----|------|------|-----|------|------|
| 1999 | 0.0000 | 0.3898 | 0.4550 | 0.1552 | 0.0000 | 0.0000 |
| 1999 | 0.0000 | 0.36941 | 0.43368 | 0.18657 | 0.0024972 | 0.0044185 |

Note. The marginal probability is shown below (the set of probabilities when the year goes to infinity):

| AN* | DR   | DR*  | E_  | LP   | S1   |
|-----|------|------|-----|------|------|
| 0.0000 | 0.41939 | 0.41939 | 0.15085 | 0.0059842 | 0.0043854 |

**2nd level (S→DR)**

We use similar methods as above to find the interpolation formulas for case S→DR, level 2:

\[ x_1 = \min(0, (-1.42842 + 0.000716 \text{year})/(3.78034 - 0.001393 \text{year})); \]
\[ x_2 = \min(0, (-1.757595 + 0.000881 \text{year})/(3.78034 - 0.001393 \text{year})); \]
\[ x_3 = \min(0, (-1.099245 + 0.000551 \text{year})/(3.78034 - 0.001393 \text{year})); \]
The table below contains real figures and calculated by formulas (marked by symbol (c)).

| Year | E_   | G_   | G_{S4} | LP   | LP*   | RD   |
|------|------|------|--------|------|-------|------|
| 1998(c) | 0.0021672 | 0.0026667 | 0.0016678 | 0.32358 | 0.18842 | 0.015558 |
| 1998 | 0.00716 | 0.00881 | 0.00551 | 0.30689 | 0.1901 | 0.0099 |
| 1999(c) | 0.0028937 | 0.0035605 | 0.0022269 | 0.28280 | 0.22869 | 0.012145 |
| 1999 | 0.0000 | 0.0000 | 0.0000 | 0.2907 | 0.1895 | 0.0000 |

The next table contains a prognosis for four years (2000-03).

| Year | E_   | G_   | G_{S4} | LP   | LP*   | RD   |
|------|------|------|--------|------|-------|------|
| 2000 | 0.0036222 | 0.0044570 | 0.0027875 | 0.24191 | 0.26907 | 0.0087217 |
| 2001 | 0.0043420 | 0.0053426 | 0.0033414 | 0.20040 | 0.30879 | 0.0052759 |
| 2002 | 0.0050066 | 0.0061603 | 0.0038528 | 0.15729 | 0.34474 | 0.0018180 |
| 2003 | 0.0055303 | 0.0068047 | 0.0042558 | 0.11263 | 0.37142 | 0.0000 |

The last table contains (see below) the marginal probability:

| E_   | G_   | G_{S4} | LP   | LP*   | RD   | SO   | S1   | S1S4 | S2   | S4   |
|------|------|--------|------|-------|------|------|------|------|------|------|
| 0.00 | 0.00 | 0.00   | 0.51862 | 0.00 | 0.043207 | 0.057948 | 0.38022 | 0.00 | 0.00 | 0.00 |

The marginal probability provides us with a lot of information about tendency. In this case, we see that only procedures, coded by symbols LP, S1, SO, and RD, are essential for level 2, case S \rightarrow DR.

1st level

We use the following formulas for a prognosis (see below).

\[ x1=\frac{(81.861085 - 0.040811\text{year})}{(3.78034 - 0.001393\text{year})} \]
\[ x2=\frac{(59.89132 - 0.02992\text{year})}{(3.78034 - 0.001393\text{year})} \]
\[ x3=\min(0,\frac{(-78.91407 + 0.03959\text{year})}{(3.78034 - 0.001393\text{year})}) \]
\[ x4=\min(0,\frac{(-2.527665 + 0.001267\text{year})}{(3.78034 - 0.001393\text{year})}) \]
\[ x5=\min(0,\frac{(-66.859091 + 0.03363\text{year})}{(3.78034 - 0.001393\text{year})}) \]
\[ x6=\frac{6.80862 - 0.0034\text{year}}{3.78034 - 0.001393\text{year}} \]
\[ x7=\frac{9.1221 - 0.00456\text{year}}{3.78034 - 0.001393\text{year}} \]
To check these formulas we compare numbers calculated by each formula with the given frequencies. The table below contains calculations (marked by symbol c) for the given year 1999.

| YEAR | A_ | A_* | DR  | DR* | AN  | AN* |
|------|----|-----|-----|-----|-----|-----|
| 1999 | 0.095037 | 0.11572 | 0.40062 | 0.28416 | 0.0075407 | 0.0000 |
| 1999 | 0.0589 | 0.1406 | 0.4470 | 0.2856 | 0.00001 | 0.00001 |

The table below contains the numbers calculated by formulas for 2000-02.

| YEAR | A_ | A_* | DR  | DR* | AN  | AN* |
|------|----|-----|-----|-----|-----|-----|
| 2000 | 0.10862 | 0.13040 | 0.37263 | 0.31439 | 0.0015152 | 0.0000 |
| 2001 | 0.12091 | 0.14363 | 0.34482 | 0.34145 | 0.0000 | 0.0000 |
| 2002 | 0.13222 | 0.15579 | 0.31833 | 0.36626 | 0.0000 | 0.0000 |
| 2003 | 0.14140 | 0.16551 | 0.29063 | 0.38561 | 0.0000 | 0.0000 |

| YEAR | E_ | LP | LP* | S1 | S4 | RD |
|------|----|----|-----|----|----|----|
| 1999 | 0.0023639 | 0.046624 | 0.0079370 | 0.015250 | 0.024724 | 0.0000 |
| 1999 | 0.0000 | 0.0333 | 0.0000 | 0.0208 | 0.0136 | 0.0000 |

It is simple to find the marginal probabilities for the case when all variables are independent:

| A_ | A_* | DR  | DR* | AN  | AN* | E_ | LP | LP* | S1 |
|----|-----|-----|-----|-----|-----|----|----|-----|----|
| 0.22278 | 0.24607 | 0.0000 | 0.52533 | 0.0000 | 0.0000 | 0.0048599 | 0.0000 | 0.0000 | 0.00096426 |

| S4 | RD |
|----|----|
| 0.0000 | 0.0000 |

This tells us that now there exist tendency towards marginal probability. If this tendency remains safe for a long time, doctors will only use the four procedures: DR, A_ E_ and S1.

An algorithm for the simulation of a list of short words
We can use the previous construction for the prognosis. What is the significance of making a prognosis for non-numerical data? The significance is that we have to take the universal grammar and frequencies for the rules that are calculated by interpolation formulas, and then use model number I (forecast for the size of membership). These details are what the real program consists of for the simulation. We will obtain the number of steps from model I. We first have to optimize our universal grammar. After optimization, our universal grammar (one version is shown below) is divided into levels and combined with the calculations done before probabilities.

1st level

Table A

| Substitution rules | 2000     | 2001     | 2002     | 2003     |
|--------------------|----------|----------|----------|----------|
| $S \rightarrow A_*$ | 0.23902  | 0.26454  | 0.28801  | 0.30691  |
| $S \rightarrow DR*$ | 0.68702  | 0.68627  | 0.68459  | 0.67624  |
| $S \rightarrow AN*$ | 0.31439  | 0.0      | 0.0      | 0.0      |
| $S \rightarrow E_*$ | 0.0026515| 0.0029103| 0.0031481| 0.0033371|
| $S \rightarrow LP^*$ | 0.0381624| 0.022618 | 0.0080527| 0.0      |
| $S \rightarrow S1$ | 0.014867 | 0.0      | 0.0      | 0.0      |
| $S \rightarrow S4$ | 0.016761 | 0.0092199| 0.0021566| 0.0      |
| $S \rightarrow RD$ | 0.0      | 0.0      | 0.0      | 0.0      |

The symbol * means that there exists a substitution rule or a chain of rules that start from the last symbol given rule. For instance, rule $S \rightarrow A_*$ has symbol * because there exists a rule or a sequence of rules which connect $A_*$ and another symbol (for instance $AN$) and so on. The second table gives us the ability to stop (meaning that a one-letter word was done and the algorithm goes to the next step of the loop) or start the generation of the next letter of word (this means that our word will contain at least two letters).

Table B

| After     | 2000     | 2001     | 2002     | 2003     |
|-----------|----------|----------|----------|----------|
| $A_*$ go to Stop | 0.45444  | 0.457058 | 0.45908  | 0.46072  |
| $A_*$ go to 2nd level | 0.54556  | 0.542942 | 0.54092  | 0.53928  |
| DR go to Stop | 0.542386 | 0.50245  | 0.4650   | 0.42977  |
| DR go to 2nd level | 0.457614 | 0.49755  | 0.53500  | 0.57023  |
| AN go to Stop | 1        | 1        | 1        | 1        |
| AN go to 2nd level | 0        | 0        | 0        | 0        |
| LP go to Stop | 0.85608  | 0.85958  | 0.87511  | 1        |
| LP go to 2nd level | 0.14392  | 0.14042  | 0.12489  | 0        |
| S1 go to Stop | 1        | 1        | 1        | 1        |
| S1 go to 2nd level | 0        | 0        | 0        | 0        |
| S4 go to Stop | 1        | 1        | 1        | 1        |
| S4 go to 2nd level | 0        | 0        | 0        | 0        |

A reader starts with the left column. For instance, the cell located at the first column and first row is After $A_*$ go to Stop and so on. The probabilities are calculated by using the previous information. For example, the probability that event after $A_*$ go to Stop equals
0.10862/0.23903=0.45444. The opposite event after A go to 2nd level equals (0.23903 - 0.10862)/0.23903 = 0.54556 or 1 - 0.45444 and so on.

**2nd level, case S → A**

Similarly, we calculate tables A2 and B2 for the second level (case S → A). Table A2

| Substitution rules | 2000  | 2001  | 2002  | 2003  |
|--------------------|-------|-------|-------|-------|
| A_ → AN            | 0     | 0     | 0     | 0     |
| A_ → DR*           | 0.80648 | 0.80884 | 0.81056 | 0.81176 |
| A_ → E_            | 0.18298 | 0.18048 | 0.17865 | 0.177725 |
| A_ → LP            | 0.0032421 | 0.0037587 | 0.0041381 | 0.0044284 |
| A_ → S1            | 0.004496 | 0.0045497 | 0.0045891 | 0.0046193 |

Table B2

| After Stop          | 2000  | 2001  | 2002  | 2003  |
|---------------------|-------|-------|-------|-------|
| DR go to Stop       | 0.455557 | 0.45324 | 0.4503 | 0.448667 |
| DR go to 3rd level  | 0.54443 | 0.54676 | 0.5497 | 0.55133 |

A lot of levels exist in the real model and for these levels it is necessary to prepare tables A and B. (We do not calculate tables A and B any more because it is not important for our understanding.) So, suppose we have the hierarchy system of tables A and B. The number of pairs in the tables must equal the number of levels. The algorithm is a loop and every step has to start from the first level. After Stop, the algorithm prints a word and goes back to first level. On level N a special program randomly gets a substitution rule from the first column of Table A (with probability from the right part of the Table A). Then, if the rule does not have the special symbol *, the algorithm prints out a word and goes to the first level. If symbol * is present, the algorithm prints an additional letter (right part of rule if right part is a term) and goes to table B. The algorithm then randomly goes to Stop or to Table A of level N +1, and so on.

Thereupon, we can finish the description of the process making of the semantic model of internal flow. We hope that the given algorithm may be used in the modeling of other companies.

**CONCLUSION**

This paper represents the philosophy or point of view of a company as a device that has used the set of languages based on parts, natural processes, human actions, pose, etc. as an alphabet. In this article we emphasize on informational processes, and firstly on the communication process. Similarly, we pay more attention to the classical point of view on human beings as a communication system and try to describe all languages used by humans.

All companies are broken into two parts in this article: industrial and purely informational companies. The industrial company (industrial part of a companys activities) is modeled as an input flow of words where any word represents assembling or disassembling actions. Any word enables us to generate the company’s structure, figure out the number of employees, the movements path, and so on. The creation of a semantic space for industries is beyond our abilities and depends on a particular industry. This article shows us only a hint of how to do this. We show that the more deeply developed languages of parts, processes, actions plus
A description of shapes and conditions, and technological semantic space give us the ability to build more realistic models of industrial companies by using the described method.

A pure informational company is represented as a model of input flow of an insurance company. In real life all companies have industrial and informational parts. Companies in which the industrial part is the main section are called industrial companies. Companies where informational business is the main topic are called informational companies. But for both types of companies, and in everyday life, conversations between people are important functions.

The language philosophy is used for the modeling of communication as a random walk in the semantic space. In this article a representation of an approach to build the semantic space as a tree is demonstrated, where concepts are nodes and more general concepts have higher positions in the tree than less general concepts. We then build the semantic tree and write the system of differential equations. The description of conversations depends on the type of conversation (business, sport, life, and so on), the shape of the table, and other factors.

A few cases are analyzed: conversations with a square table and free conversations. The represented method may also be used in the modeling of conflicts.

We then do an example of modeling certain features of a pure informational company: an insurance company. One of the main purposes of this modeling is to be able to find the semantic (linguistic) base of an insurance company. The model of an insurance company is done as a computer simulation of the input flow. The cornerstone of this simulation is a semantic model of the history of clients’ diseases. To construct this semantic model we use the alphabet of the types of procedures performed on patients with the given chronic disease. For instance, the alphabet for diabetes contains 34 "letters. The history of disease can be represented by a short word in a given alphabet and looks like "A_1 ANDR S4 S2", where A_, AN, ..., S4, S2 are letters of the alphabet of the disease. The study of the information for five years shows us that the structure of short words has a tendency to change. To model this tendency we use Markov chains. The conditional probability is found from the data. Then, using a computer simulation, we calculate a set of pseudo-random "short words. The next problem shown is the generation of pseudo-random "long words. The long word may look like "A_12AN-1DR-17 S4-1S2-1", where the number that follows each "letter" is the frequency of encountering this letter. For this purpose we find the conditional probability PrX="long word"/X="short word" and then generate a set of pseudo-random "long words. The list of "long words" and the list of "normative prices" for procedures give us the ability to calculate the mean, "harmonic", minimal and maximal prices for all diseases. This model may be used when making the forecast of an insurance company. This model is the basis for a more comprehensive model of an insurance company.

To predict the number of patients we construct a special system of differential equations and then from these equations we derive a statistical model suitable for computer simulation. The author believes that the representation given in this paper (the point of view on an insurance company as a device that uses the set of natural processes where this process communicates) can be spread on all types of companies for all industries. It is the main reason why the description of internal flow for an insurance company is presented with big details.

In the future the author plans to make a universal model of the external world for a company and work out the whole semantic model of a company. Section three's model can
be used in the decision-making process. People responsible for some type of disease or group of diseases must keep in mind the meaning of a normal word (normal sequence or sequences of procedures) for a given diagnosis. If the word does not belong to the normal and/or more often occurrence set of words, the employee begins an investigation (not criminal). For this function (recognition of situation) we use the special self-learning grammar. For numerical variables we can use a neural networks algorithm, but for our case we use grammar.

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Appendix A

This appendix contains training corps (Table 1-3, 5) for getting formal grammar for procedure language. All tables contain a list of words with probabilities (frequencies) greater than 0.02 only. In reality all words are used without restrictions. Table 4 contains words with probabilities greater than 0.001 and we essentially see longer words. For every training corps we deduce the formal grammar and then find the tendency of frequencies.

Table 1 (1995:812 patients)

| WORD | NUMBER PATIENTS | PROBABILITY | EXPLANATION       |
|------|----------------|-------------|-------------------|
| A    | 19             | 0.0234      | TRANSPORT         |
| A_AN | 24             | 0.0295      | T+ANESTHESIA      |
| AN   | 94             | 0.11576     | ANESTHESIA        |
| ANDR | 17             | 0.0209      | ANEST+DRUG        |
| DR   | 357            | 0.4396      | DRUG              |
| DRLP | 35             | 0.0431      | DR+LAB PATOLOGY   |
| DRS1 | 25             | 0.03078     | DR+SURG:INTEG     |
| DRS4 | 17             | 0.0209      | DR+SURG:CARD      |
| LP   | 51             | 0.0628      | LAB PATOLOGY      |
| S1   | 18             | 0.02216     | SURG:INTEG        |
| S4   | 19             | 0.0234      | SURG:CARD         |

The whole population contains 812 patients. This table contains 676 patients or 83.25% of whole population.

Table 2 (1996:2097 patients)
| WORD | NUMBER PATIENTS | PROBABILITY | EXPLANATION |
|------|----------------|-------------|-------------|
| A_   | 60             | 0.0286      | TRANSPORT   |
| A_AN | 40             | 0.01907     | T+ANESTHESIA|
| A_ANDR | 29         | 0.01383     | T+ANESTH+DRUG|
| A_DR | 26             | 0.0124      | T+DRUG      |
| A_DRE_ | 14         | 0.00667     | T+DRUG+ DIGEST|
| A_DRLP | 12         | 0.00572     | T+DRUG+LAB PATO|
| A_E_ | 13             | 0.0062      | T+ DIGEST   |
| AN   | 83             | 0.03958     | ANESTHESIA  |
| ANDR | 25             | 0.01192     | ANESTHES+DRUG|
| DR   | 828            | 0.3948      | DRUG        |
| DRLP | 141            | 0.0672      | DRUG+LAB PATOL|
| DRLPS4 | 63       | 0.0300      | DR+LB+SURG:CARD|
| DRRD | 16             | 0.00762     | DRUG+RAD:DIAG|
| DRSO | 19             | 0.00906     | DRUG+SURG:EYE|
| DRS1 | 20             | 0.00954     | DRUG+SURG:INTEG|
| DRS4 | 105            | 0.05007     | DRUG+SURG:CARD|
| LP   | 187            | 0.08917     | LAB PATOLOGY|
| LPS4 | 55             | 0.02622     | LAB+SURG:CARD|
| RD   | 10             | 0.00477     | RAD:DIAG    |
| S1   | 15             | 0.00954     | SURGERY:INTEG|
| S4   | 126            | 0.06008     | SURGERY:CARD|

Table 3 (1997: 3067 patients)
| WORD   | NUMBER PATIENTS | PROBABILITY | EXPLANATION                  |
|--------|-----------------|-------------|------------------------------|
| A_     | 143             | 0.0466      | TRANSPORT                    |
| A_AN   | 65              | 0.02119     | TRAN+ ANESTHESIA             |
| A_ANDR | 35              | 0.0114      | T+ANESTH+DRUG                |
| A_DR   | 80              | 0.02608     | T+DRUG                       |
| A_DRE_ | 27              | 0.00880     | T+DRUG+DIGEST                |
| A_DRL_ | 14              | 0.00456     | T+DRUG+LAB PAT               |
| A_DRS4 | 14              | 0.00456     | T+DRG+SURG:CARD              |
| A_E_   | 48              | 0.01565     | T+DIGEST                     |
| AN     | 95              | 0.03097     | ANESTHESIA                   |
| ANDR   | 15              | 0.00489     | ANESThes+DRUG                |
| DR     | 1047            | 0.34137     | DRUG                         |
| DRLP   | 201             | 0.0655      | DRUG+LAB PAT                 |
| DRLPS4 | 100             | 0.0326      | DRG+LB+SRG:CARD              |
| DRRD   | 22              | 0.0072      | DRUG+RAD:DIAG                |
| DRSO   | 11              | 0.00358     | DRUG+SURG:EYE                |
| DRS1   | 39              | 0.0127      | DRUG+SURG:INTEG              |
| DRS4   | 173             | 0.0564      | DRUG+SURG:CARD               |
| E_     | 13              | 0.00424     | DIGEST                       |
| LP     | 314             | 0.10238     | LAB PATOLOGY                 |
| LPS4   | 80              | 0.02608     | LAB+SURG:CARD                |
| M_     | 15              | 0.00489     | MED SERVICE                   |
| S1     | 17              | 0.00554     | SURG:INTEG                   |
| S4     | 208             | 0.06782     | SURG:CARD                    |

This table contains 2776 patients what is 90.51% of whole population (3067 patients).

Table 4 (1998: 7452 patients)
| WORD     | NUMBER PATIENTS | PROBABILITY | EXPLANATION                      |
|----------|-----------------|-------------|----------------------------------|
| A_       | 367             | 0.04925     | TRANSPORT                        |
| A_AN     | 61              | 0.008185    | T+ ANESTHESIA                    |
| A_ANDR   | 57              | 0.007648    | T+ANEST+DRUG                     |
| A_ANDRE_ | 23              | 0.003086    | T+AN+DRG+DIGEST                  |
| A_ANDRLP | 17              | 0.00228     | T+AN+DR+LAB PAT                  |
| A_ANDRS4 | 15              | 0.00201     | T+A+D+SURG:CARD                  |
| A_DR     | 255             | 0.0342      | T+DRUG                           |
| A_DRE_   | 139             | 0.01865     | T+DRUG+DIGEST                    |
| A_DRE_LP | 19              | 0.00255     | T+DR+DIGEST+LAB                  |
| A_DRE_LPS4 | 18           | 0.00241     | +SURGERY:CARD                    |
| A_DRE_S1 | 10              | 0.00134     | T+DR+DIG+SRG:INT                 |
| A_DRE_S4 | 28              | 0.00375     | +SURGERY:CARD                    |
| A_DRE   | 48              | 0.00644     | T+DRG+LAB PATOL                  |
| A_DRLPS4 | 19              | 0.00254     | +SURGERY:CARD                    |
| A_DRS1   | 28              | 0.00375     | T+DRG+SURG:INTEG                 |
| A_DRS4   | 62              | 0.00831     | T+DRG+SURG:CARD                  |
| A_E     | 182             | 0.0244      | T+DIGEST                         |
| A_LP    | 16              | 0.00214     | T+LAB PATOLOGY                   |
| A_S1    | 12              | 0.00161     | T+SURGERY:INTEG                  |
| AN       | 74              | 0.00993     | ANESTHESIA                       |
| ANDR     | 40              | 0.00536     | ANESTHESIA+DRUG                  |
| ANDRS4   | 11              | 0.00147     | +SURGERY:CARD                    |
| DR       | 3032            | 0.40687     | DRUG                             |
| DRE_     | 13              | 0.00174     | DRUG+DIGEST                      |
| DRG_     | 16              | 0.00214     | DRUG+PRF SERVICE                 |
| DRG_S4   | 10              | 0.00134     | +SURGERY:CARD                    |
| DRLP     | 557             | 0.074745    | DRUG+LAB PAT                     |
| DRLPRD   | 12              | 0.00161     | +RAD:DIAG                        |
| DRLPRDS4 | 10              | 0.00134     | +SURGERY:CARD                    |
| DRLPS1   | 31              | 0.00416     | DR+LAB+SRG:INTEG                 |
| DRLPS1S4 | 11              | 0.00146     | +SURGERY:CARD                    |
| DRLPS4   | 281             | 0.0377      | DR+LAB+SRG:CARD                  |
| DRRD     | 18              | 0.002415    | DR+RAD:DIAG                      |
| DRSO     | 12              | 0.00161     | DRG+SURG:EYE                     |
| DRS1     | 189             | 0.02536     | DRUG+SURG:INTEG                  |
| DRS1S4   | 23              | 0.00309     | +SURG:CARD                       |
| DRS2     | 12              | 0.00161     | DRUG+SRG:MUSC                    |
| DRS4     | 620             | 0.0832      | DRUG+SRG:CARD                    |
| E_       | 27              | 0.00362     | DIGEST                           |
| LP       | 356             | 0.04777     | LAB PATOLOGY                     |
| LPS4     | 42              | 0.005636    | LAB+SURG:CARD                    |
| RD       | 10              | 0.00134     | RAD:DIAG                         |
| S1       | 122             | 0.01637     | SURGERY:INTEG                    |
| S4       | 137             | 0.01838     | SURGERY:CARD                     |
This table contains 7032 patients what is 94.36% of whole population (7452 patients).

Table 5  (1999: 11730 patients)

| WORD   | NUMBER PATIENTS | PROBABILITY | EXPLANATION        |
|--------|----------------|-------------|--------------------|
| A      | 591            | 0.05038     | TRANSPORT          |
| A_DR   | 550            | 0.04689     | TRAN+DRUG          |
| A_DRE  | 297            | 0.02532     | DIGEST             |
| A_DRLP | 123            | 0.01083     | LAB PAT            |
| A_DRS1 | 95             | 0.0081      | SURG:INTEG         |
| A_DRS4 | 127            | 0.010827    | SURG:CARD          |
| A_E    | 219            | 0.01867     | DIGEST             |
| DR     | 4486           | 0.38244     | DRUG               |
| DRLP   | 839            | 0.071526    | LAB PATOLOGY       |
| DRLPS4 | 547            | 0.0466      | SURG:CARD          |
| DRS1   | 434            | 0.037       | SURG:INTEG         |
| DRS4   | 1046           | 0.089       | SURG:CARD          |
| LP     | 334            | 0.02847     | LAB PATOLOGY       |
| S1     | 209            | 0.01782     | SURG:INTEG         |
| S4     | 137            | 0.01168     | SURG:CARD          |

E-mail address: vlad_kovchegov@yahoo.com